

# 2019

SUSTAINABILITY REPORT



**EVERSOURCE**

# TABLE OF CONTENTS

MESSAGE FROM JIM JUDGE .....	4
SUSTAINABILITY AT EVERSOURCE .....	7
REPORT ASSURANCE .....	9
OUR ENVIRONMENT .....	10
LOWERING OUR OPERATIONAL EMISSIONS.....	11
Climate Change.....	13
Our Footprint .....	15
Operations Optimization .....	17
ADDRESSING REGIONAL ENERGY CHALLENGES .....	20
Clean Energy.....	20
Electric Vehicles .....	24
Energy Efficiency Programs .....	27
Technology & Innovation .....	33
ACCOUNTABILITY .....	37
Water Resources.....	37
Waste Management and Pollution Prevention.....	41
Environmental Compliance.....	42
ENVIRONMENTAL STEWARDSHIP .....	43
Promoting Stewardship.....	43
Preserving Biodiversity .....	45
Responsible Land Management.....	46
OUR BUSINESS .....	49
About Our Company.....	50
2019 Awards and Recognition.....	51
Corporate Governance .....	52
Ethics and Risk Management.....	53
Financial Performance.....	54
Sustainable Supply Chain.....	56
SERVING OUR CUSTOMERS .....	60
Customer Experience .....	61
Financial Assistance.....	62
Reliability & Resiliency Initiatives.....	64
Emergency Preparedness .....	70

Distributed Generation.....	72
In the Community .....	72
OUR PEOPLE .....	77
Safety .....	78
Workforce Investment.....	80
Diversity and Inclusion.....	83
Eversource Green Team .....	88
Employee Wellness .....	88
MATERIAL TOPICS & ALIGNMENT WITH UN SDGs .....	90



## MESSAGE FROM JIM JUDGE CHAIRMAN, PRESIDENT AND CEO

If this were any other year, I would start this message by stating that 2019 was Eversource Energy's best year in our history. I would share that we posted strong operational and financial performance and excellent returns for investors, while embracing and defining our growing role as a catalyst for clean energy. While this is all true, we currently face a world undergoing a public health crisis, and a nation working through a social equality crisis. It is clear that we are operating under circumstances that could not be described as "business as usual."

It seems more appropriate, therefore, to address how the many steps we have taken to create a sustainable company have allowed Eversource, throughout the pandemic and social unrest, to show leadership and excellence on many different fronts.

### **Pandemic Response**

Since the onset of the pandemic in the United States, our electric, natural gas and water delivery systems have operated smoothly and without incident. Even in these unsettled circumstances, we are serving the needs of our 4 million customers and maintaining safe, reliable service. That's a testament to the training, expertise and professionalism of our employees to support our operations and uphold Eversource's reputation as a provider our communities are counting on under these extraordinary circumstances.

We are fortunate to be an organization that has strong practices and procedures for crisis management, as well as extensive experience working through storms and other disruptions. This experience has served us well as we deal with a unique challenge that has upended daily life.

We moved to protect our employees quickly, enabling many of them to work from home and enhancing our already extensive programs and services to support them. We also created social distancing protocols and other workarounds to ensure the safety of our employees who work in the field. And, we supported our customers by

pledging to keep electricity, water and natural gas flowing regardless of their ability to pay — waiving late fees, suspending shutoffs and providing flexible payment options.

We went further. In recognition of the immediate impact of the pandemic on the communities we serve, we donated more than \$2 million through the Eversource Foundation to nonprofit organizations in Massachusetts, Connecticut and New Hampshire. These funds included our regular \$1.2 million annual donation to United Way agencies across all three states and an additional \$1 million to be dispersed to those and other agencies providing social services such as food pantries and health and human service organizations. We also created a special hotline and a support team to help small business owners apply for assistance through the federal government's Coronavirus Aid, Relief, and Economic Security (CARES) Act.

Despite the significant changes as a result of the pandemic, our performance remains strong on key operating metrics such as safety, reliability, gas emergency response, call answer rate and estimated time of restoration accuracy, to name a few.

### **Social Justice**

As a company, we acknowledge the ongoing pain caused by racism and injustice in our society. Eversource and our employees support many programs and agencies that address racial and ethnic disparities in our own communities and beyond. We are also working to develop a workforce that fully reflects the diversity of the people and communities we serve.

Our hiring practices emphasize diversity and we encourage employees to embrace different people, perspectives and experiences in our workplace and within our communities — no matter their race, gender, religion, sexual orientation or other personal qualities. In 2020, 40 percent of our leadership promotions and new hires will be women or diverse candidates, and more than 50 percent of all new external hires will be women and diverse candidates. Our commitment to diversity and inclusion is critical to building an empowered and engaged team that delivers great service safely to our customers. We must tap into the talent, unique perspectives, and cultural and life experiences of every employee to ensure our continued success.

One of the many ways we amplify our core social messages is through our business resource groups (BRGs). These popular, well-resourced social groups, open to every employee, have executive sponsorship at the highest levels of the company. Eversource has six BRGs currently in action: Multicultural, New Hire, Pride & Allies, Veterans, Women's, and Young Professionals.

### **Our Future is Clean Energy**

I am proud to report that, because of the many steps we have taken to achieve a high level of sustainability and support for our employees and our communities, we have continued through these unsettled times to make significant progress on our commitment to carbon neutrality and initiatives that support the clean energy vision that our customers, investors, regulators and legislators have identified as a priority.

Through our partnership with Ørsted, we are one of the nation's leading offshore wind developers, with approved contracts for about 1,700 megawatts, including a contract signed in 2019 to provide 880 megawatts to New York electric consumers for 25 years. We are advancing innovative energy storage projects for our customers. Our utility-owned solar installations are in service and producing renewable energy for the region. And we are tripling the number of electric vehicle charging stations in Massachusetts through a \$45 million investment in infrastructure. We unveiled our plan to be carbon neutral by 2030, the only US energy utility with such an ambitious goal. It is consistent with our strategy of being the catalyst for clean energy development in New England and another way we can lead by example on climate action.

Eversource is paving the way to a sustainable and prosperous future in the states we serve. We are proud to be a catalyst for clean energy, and I thank our 8,300 employees for their hard work and commitment to our customers and communities.

A handwritten signature in black ink that reads "Jim Judge". The signature is fluid and cursive, with a long horizontal stroke at the end.

James J. Judge  
Chairman, President and Chief Executive Officer

We are committed to reliability; effective corporate governance; expanding energy options for our region; environmental stewardship; a safe, diverse and fairly-compensated workforce; maintaining a close working relationship with the communities that rely on us; and providing transparency and clarity about our position on these topics.

## SUSTAINABILITY AT EVERSOURCE



## SUSTAINABILITY AT EVERSOURCE

Our vision is to be the best energy company in the nation by serving the needs and expectations of our customers, shareholders, employees and the communities we serve. We are committed to reliability; effective corporate governance; expanding energy options for our region; environmental stewardship; a safe, diverse and fairly-compensated workforce; maintaining a close working relationship with the communities that rely on us; and providing transparency and clarity about our performance in these areas.

Board-level oversight of sustainability is reflected in many of our financial, operational and ESG accomplishments outlined in our [2020 Proxy Statement](#). In 2019, our Board added an executive sustainability performance metric that is reported on a monthly basis. Other key performance metrics that focus directly on sustainability are frequently reported on in management presentations. These include safety, financial performance, reliability, environmental stewardship, diversity and inclusion, customer experience and clean energy strategic projects.

ESG criteria continues to influence our leadership's compensation, as our CEO and the six other top executives have a specific ESG compensation performance goal. Our CEO's compensation has previously been and will continue to be tied to ESG priorities, including the success of the company's major strategic clean energy projects; our energy efficiency programs; safety performance; increased percentages of women and minorities in new hires and promotions; and support of the community.

Our Senior Vice President, Communications, External Affairs and Sustainability works with executive-level management from key ESG areas and oversees a team of employees who engage with operational and business partners to develop and manage strategic priorities, oversee GHG emission reduction initiatives, set sustainability goals and coordinate sustainability reporting. Our sustainability team meets regularly throughout the year to assess current practices and identify improvement opportunities.

We have also been a leader within our trade groups, the Edison Electric Institute and the American Gas Association, in standardizing ESG disclosures. In 2017, the nation's electric companies became the first industry in the country to adopt a common set of ESG disclosures. In December 2018, natural gas companies similarly adopted a common set of ESG disclosures. Eversource was one of the first companies to report such disclosures, for both our electric and gas operations, on our [website](#). We are also active in the Electric Utility Industry Sustainable Supply Alliance working to embed sustainability throughout the supply chain.

This report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards' Core option. It highlights our 2019 progress on sustainability initiatives and strategic issues most important to our business, including our industry leading goal to be carbon neutral by 2030. All operational and business disciplines are engaged in our sustainability reporting process and attaining our set goals. Please also see our [Commitment to Environmental Sustainability and Carbon Neutrality](#), a statement that underscores our environmental priorities and highlights our role as a key catalyst for clean energy development in New England.

This year we have also mapped our alignment with the [Task Force on Climate-related Financial Disclosures \(TCFD\)](#) and [Sustainability Account Standards Board Disclosures \(SASB\)](#). Please click to view our [2015 sustainability report](#), [2016 sustainability report](#), [2017 sustainability report](#) and [2018 sustainability report](#).

On October 9, 2020 minor updates were made to clarify our 2020 D&I goal for diverse leadership promotions and new hires. On March 9, 2021 a revision was made to the Renewable Portfolio Standards table on page 26 to include Massachusetts Clean Energy Standards.



## REPORT ASSURANCE

The Eversource Internal Audit Department performed a review of the 2019 Eversource Sustainability Report and submitted the following statement:

“Based upon our review, we found the information in the Report is fairly presented. We selected and reviewed a sample of non-financial processes and data used in the preparation of this Report. A comparison of the information was made to the Global Reporting Initiative Standards and interviews were held with selected key management and staff responsible for the preparation of the information presented in the Report. In addition, separate from this review the Eversource Internal Audit Department performs periodic audits of departments responsible for controls over business processes that are responsible for producing data used in this report. Based on these audits, we are not aware of process or control issues that would materially impact the data integrity of the Eversource Sustainability Report.”



## OUR ENVIRONMENT

At Eversource, we are proud to be recognized as one of the most responsible energy companies in the nation. Our Commitment to Environmental Sustainability is an important component of our vision for our business today and in the future.

# OUR ENVIRONMENT

In the following sections we highlight how we are lowering operational emissions, addressing regional energy challenges, holding ourselves accountable for the environmental impact of our operations and promoting environmental stewardship. We strive to protect the environment while providing the best solutions for our customers and the communities we serve.

## LOWERING OUR OPERATIONAL EMISSIONS

### Carbon Neutral by 2030

As a centerpiece of our [Commitment to Environmental Sustainability](#), we're dedicating ourselves to an ambitious target to be carbon neutral in our operations by 2030 and help our customers and our region reduce their carbon footprint. We will achieve this while supporting regional economic growth without compromising the safe, reliable, affordable service we provide to approximately 4 million customers.

#### EVERSOURCE'S COMMITMENT TO BECOMING CARBON NEUTRAL

Eversource aims to be carbon neutral in our operations by 2030. Our clean energy initiatives will not only allow us to meet this goal but will also contribute to regional emissions reduction targets.

We believe it is important to lead by example in reducing our emissions and demonstrate that carbon neutrality is achievable. Our customers, employees, shareholders, and other stakeholders expect this of us and we are proud to know our progress toward carbon neutrality benefits the overarching climate change mitigation plans of the states we serve. To this end, we remain focused on clean energy and searching for innovative solutions to mitigate our operational emissions. We are also preparing to address any gaps in our emissions that are unavoidable through creative carbon offset programs that not only contribute to our carbon balance but also benefit the communities in which we operate.

Our target year of 2030 was chosen after looking at the goals of our industry peers, and extensive engagement with leaders throughout Eversource to challenge ourselves to set an aggressive but achievable target.

#### How We'll Get There

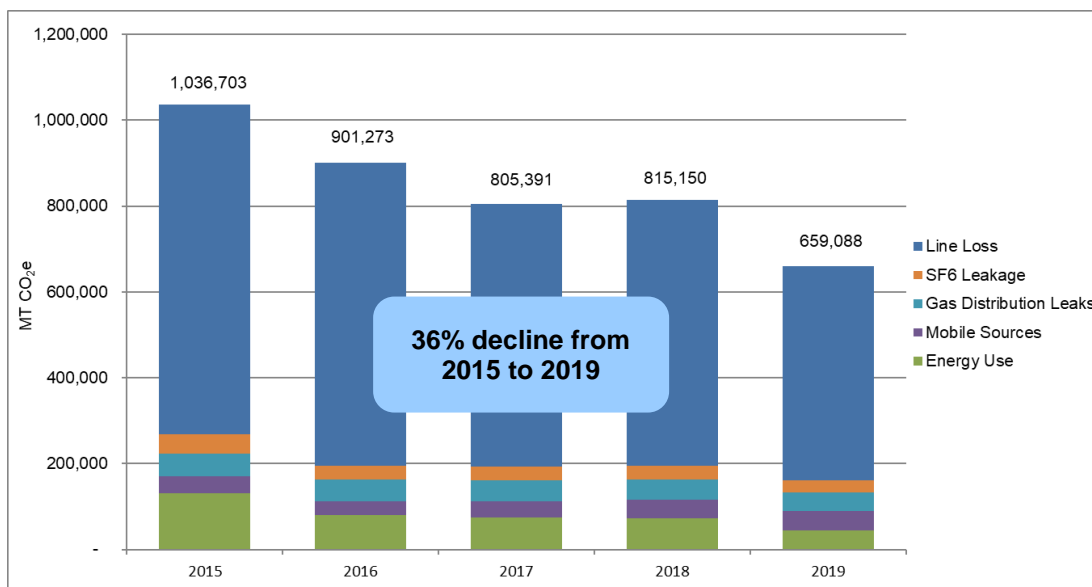
- Reduce our own energy use by improving the efficiency of our facilities.
- Reduce vehicle emissions from our fleet.
- Reduce line losses in the electric transmission and distribution system.

- Reduce sulfur hexafluoride (SF6) in our electrical gas-insulated substations and switchgear.
- Upgrade our natural gas distribution system to improve safety and eliminate methane leaks.
- Increase investments in renewable generation that will further reduce the carbon footprint of our operations.
- Offset the remaining unavoidable emissions.

### Progress on Goal

We continue to see a decrease in our emissions, with a reduction of 19% between 2018 and 2019 and a 36% reduction over the last five years. We are committed to making further progress as we strive to achieve our newly established carbon neutrality goal by 2030.

### Five-Year Operational Emissions Trend:



\*Data does not reflect emissions associated with generation following our divestiture of this business.

### Beyond Our Zero By 2030 Goal

Eversource’s commitment to climate action goes far beyond our 2030 carbon neutrality goal by ensuring system reliability and assessing climate-related risks to our infrastructure. We are also helping our customers access energy efficiency and clean energy opportunities that will further offset our region’s greenhouse gas (GHG) emissions. Please see our [Reliability & Resiliency](#) and [Clean Energy](#) sections for more details.

### Impacts on the Region

- We’re recognized by third-party raters such as the American Council for an Energy Efficient Economy (ACEEE) as the #1 utility in the nation for energy efficiency programs, saving our electric customers approximately 1 billion kilowatt-hours (kWh) per year and gas customers over 10 million therms per year.
- We’re driving the adoption of alternative vehicle fuels and the development of electric-vehicle charging networks.
- We’re developing innovative battery storage projects that reduce the need for fossil fuel-powered generation and new transmission facilities while improving power quality and reliability.

## Climate Change

With climate change as one of the greatest challenges facing the globe, we know timely action and innovative solutions are vitally important. We also know Eversource is in a unique position to meet the essential energy needs of our customers while serving as a catalyst for clean energy that will enable us to realize a low-carbon future. In doing so, we will curb our region's emissions from the energy sector and play a critical role in achieving ambitious emission reduction targets not only for Eversource, but also for the states where we operate.

We believe it is important to lead by example and our goal to achieve carbon neutrality by 2030 is one key way we are demonstrating this industry leadership. We share the concerns held by many of our stakeholders regarding climate change and we are committed to do our part to respond with appropriate solutions. The many actions we are taking are outlined throughout this report.

### **Increasing Resiliency to Climate Change Impacts:**

To maintain resiliency across our system in the face of climate change, we're pursuing the following actions:

- Work with our regulators to gain approval for new programs that will help improve our system resiliency in response to climate change, including vegetation management, pole and wire strengthening, flood proofing, and other system hardening measures.
- Implement a grid modernization plan that will enhance our electric distribution infrastructure to improve resiliency and reliability and facilitate integration of distributed energy resources.
- Focus on improving the efficiency of our electric and gas distribution systems, preparing for the opportunity that clean energy advancements create, and providing customers with ways to minimize their energy use.
- Investigate emerging technologies such as energy storage and automation programs that improve reliability.
- Implement programs to address risks that may impact water availability and water quality.

### **Quantifying, Disclosing and Reducing Our Company's Carbon Footprint**

On an annual basis, we quantify our carbon footprint through a comprehensive GHG emission inventory for our operations. This inventory includes emissions from energy use, line loss, gas loss from natural gas distribution, SF<sub>6</sub> used in electrical equipment and electricity lost during delivery.

We have created targeted strategies to accomplish our goal of carbon neutrality by 2030 that will reduce GHG emissions across the company, including reducing our energy consumption by using more efficient heating, air conditioning and lighting. We are expanding the use of alternative fuels in company vehicles, and efforts to reduce miles driven are expected to decrease emissions from our 5,400 fleet vehicles, as well as employee-owned vehicles.

We are investing in upgrades to aging natural gas infrastructure, reducing leaks and fugitive emissions. Our natural gas pipeline replacement initiative reduces fugitive methane emissions from our natural gas distribution system. We have reduced SF<sub>6</sub> emissions through reliability improvement projects and the successful implementation of a detailed SF<sub>6</sub> tracking and inventorying approach.

### **Engineering Energy Efficiency Solutions for Our Customers**

Eversource is a national leader in designing and delivering energy efficiency solutions to our customers. We raise awareness of energy efficiency within our communities, schools and workforce using multiple outreach channels to create a culture of responsible energy consumers. We empower our customers by providing information on cutting-edge products and services including custom energy management tools. Using a combination of upfront incentives and product financing, our energy efficiency programs are reaching more customers than ever.

### **Developing Infrastructure and Facilitating the Integration of Renewables**

Eversource is a leader in the creation and operation of energy infrastructure that delivers renewable and low-carbon energy to New England. We continue to support competitively-priced clean energy through substantial contractual commitments so that clean energy is part of our region's energy mix. Our partnership with Ørsted will expand our clean energy portfolio and allow for up to 4,000 megawatts of offshore wind and we are actively pursuing legislation which would allow us to expand our own regulated, large-scale solar in Connecticut and Massachusetts.

### **Natural Gas – Driving Toward a Cleaner Energy Future**

Natural gas plays a major role in helping to power and heat society, and it can continue to do so while becoming cleaner and more efficient. It has been a significant factor in helping New England shift away from coal and oil in its power generation sector. Electric system operator ISO-New England reports that natural gas has eliminated 80 million tons of GHG emissions since 2008 and dropped wholesale electricity costs by 50%. Through system investments and improvements, Eversource has achieved a 70% reduction in gas system emissions since 1990, and we are working hard to continue to drive that down.

As we develop a pathway to introduce cleaner natural gas solutions and new technologies that leverage gas infrastructure in a decarbonized environment, we are focused on near-term opportunities to optimize our current system to reduce carbon emissions. These include continuing to identify and remediate gas leaks and seeking state permission to pilot a three-year gas demand response program, test geothermal technology as a home heating and cooling alternative to natural gas, and study ways to make our natural gas supply cleaner through the use of renewable and responsible natural gas.

### **Contributing to Severe Weather Resiliency and Adaptation**

We have a robust resiliency plan to improve our system's ability to withstand severe weather patterns. The plan includes installing new and stronger infrastructure like poles, wires and related system equipment, as well as enhanced year-round tree trimming. We are reinforcing existing critical facilities to withstand storm surges, and all future substations are being "flood-hardened" to better protect our system against storm surges associated with the increasing risk of severe weather.

We created our comprehensive emergency preparedness and response plans in partnership with state and community leaders so that when a storm occurs, we can provide customers and municipalities with timely and accurate information, while safely and promptly restoring power.

Additionally, we collaborate with other utility providers and industry partners across the country to better understand storm hazards and develop green solutions to improve our system reliability, including our partnership with the Eversource Energy Center at the University of Connecticut.

## Supporting Electric Vehicles and Other Emerging Technologies

We are engaged with policy leaders, automakers, neighboring utilities and technical experts to prepare our infrastructure to support electric vehicles. We are using multiple channels to provide information to our customers considering a switch to an electric vehicle. We are also evaluating infrastructure needs to support new technologies in the region, such as microgrids, interconnection of renewable energy and a geothermal pilot.

## Our Footprint

Eversource's GHG emission inventory accounts for the carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O) and sulfur hexafluoride (SF<sub>6</sub>) emissions from our operations. The emission sources included in our GHG inventory are stationary combustion; mobile combustion; indirect emissions from purchased electricity, transmission and distribution losses; fugitive CH<sub>4</sub> emissions from process equipment, including pipelines for natural gas distribution; and fugitive SF<sub>6</sub> emissions from electrical equipment. We report GHG emissions to [CDP \(formerly Carbon Disclosure Project\)](#). Our most recent filing can be found [here](#).

We were among the first companies in the United States to use standardized reporting templates developed by the Edison Electric Institute and the American Gas Association.

### Detailed Emissions Summary (metric tonnes CO<sub>2</sub>e)

	2015	2016	2017	2018	2019
Generation	1,236,618	553,647	421,429	0	0
Energy Use	130,922	79,643	73,661	72,187	45,114
Mobile Sources	40,121	32,996	38,934	43,744	43,543
Gas Distribution Leaks	52,369	50,394	48,169	46,737	43,232
SF <sub>6</sub> Leakage	44,768	31,092	32,870	32,737	29,363
Line Loss	768,523	707,148	611,757	619,745	497,836
<b>TOTAL*</b>	<b>2,273,321</b>	<b>1,454,920</b>	<b>1,226,820</b>	<b>815,150</b>	<b>659,088</b>

\*Data as of 2018 does not reflect emissions associated with generation following our divestiture of this business.

Reductions in 2019 were due primarily to the decrease in the carbon intensity of the New England Energy Grid reported by U.S. Environmental Protection Agency as well as the success of our corporate GHG reduction efforts. Beginning in 2018, our operational emissions include Aquarion. Additionally, there were small increases in emissions associated with line loss as well as mobile emissions due to increased storm/gas system recovery efforts in 2018.

## Reducing Our Carbon Footprint

Eversource strives to reduce our carbon footprint by optimizing operations, advancing innovative technology, and supporting the use of renewable energy within our facilities. The energy we purchased for our own use in 2019 was at a minimum of 27.5% renewable for Connecticut, 24.94% renewable for Massachusetts, and 19.7% for New Hampshire. In 2020, the energy we purchase for our own use will be at a minimum of 29% renewable for Connecticut, 27.71% renewable for Massachusetts, and 20.7% for New Hampshire.

The consolidation of many of our facilities led to more efficient operations and decreased our energy demand and associated emissions through more efficient use of space. We anticipate further reductions through the continued use of Leadership in Energy and Environmental Design (LEED) inspired renovations at existing facilities.

### SF<sub>6</sub> Emissions

Eversource continues to be an industry leader in SF<sub>6</sub> emissions reductions and actively works to phase out the use of this chemical. The Commonwealth of Massachusetts has a decreasing emissions rate requirement for SF<sub>6</sub> equipment (2% in 2018 and 1% in 2020.) Going forward, Eversource will continue to pursue the integration of SF<sub>6</sub>-free equipment as it becomes available, which will ultimately allow us to eliminate the use of SF<sub>6</sub> altogether.

#### **SF<sub>6</sub> Reduction Goal: Achieve collective SF<sub>6</sub> leakage rate of less than 2% of system SF<sub>6</sub> capacity**

- **Goal Details:** In 2018, we set a voluntary goal to limit our annual SF<sub>6</sub> emission rate to 2% across all three states where we operate, including Connecticut and New Hampshire, which do not currently have SF<sub>6</sub> regulatory limits.
- **Results:** We reached our goal in 2018 and 2019 and are confident we will achieve that goal in upcoming years.

### Methane Emissions

Historically, the natural gas industry used non-cathodically protected steel and cast-iron materials for distribution main and service piping. These leak-prone materials have significantly higher leak rates in comparison to modern plastic piping. As a result, we have undertaken large-scale pipe replacement projects in conjunction with state agencies to replace aging cast-iron and steel pipes with safer plastic pipes and implemented a robust leak management program. Fugitive emissions from the Eversource natural gas distribution system have steadily decreased over time and are anticipated to continue decreasing. Since 2015, Eversource has replaced 333 miles of our aged non-cathodically protected steel, cast-iron, and wrought-iron natural gas distribution infrastructure in Connecticut and Massachusetts in accordance with programs approved by state regulators. This has resulted in reductions of 73 metric tonnes of methane annually (1,827 MT CO<sub>2</sub>e) since 2015 and we plan to replace the remainder within 15 years.

In 2016, Eversource, along with almost 40 American Gas Association members, became a founding member of the U.S. EPA's Natural Gas STAR [Methane Challenge Program](#). We continue to exceed our commitments made under this program.

#### **Gas Main Replacement Goal: Achieve 14.5% reduction from 2017 baseline by 2020.**

- **Goal Details:** Eversource has set a goal to go beyond our Methane Challenge program commitment to achieve 14.5% reduction in miles of bare steel and cast-iron main from 2017 baseline by 2020.



- **Results:** As of the end of 2019, we have replaced 10.7% of the bare steel and cast-iron mains across our system and we are on track to achieve the baseline reduction of 14.5% by the end of 2020.

Please see the [Gas Business Reliability Initiatives](#) section for additional details on our efforts.

## Operations Optimization

We manage our field and office operations with a commitment to environmental stewardship.

We strive to reduce our energy use through more efficient lighting and equipment, control system upgrades and optimal use of space.

### Facilities Improvements

Eversource facilities are strategically located throughout our service territory to ensure that we best serve our customers. Our operations have been consolidated for maximum efficiency, and as buildings and spaces are renovated, we strive to reduce our energy use through more efficient lighting and equipment, control system upgrades and optimal use of space.

#### **Facility Goal: Complete cost/benefit analysis for retro-commissioning project at Eversource facilities to identify potential energy use reduction goals**

- **Goal Details:** Assess lighting controls, HVAC and other systems to maximize building efficiency. Decreased energy use will not only result in lower CO<sub>2</sub>e emissions but will also offer lower operations and maintenance cost savings.
- **2019 Results:** Commenced retro-commissioning work and building automation upgrades at two facilities with completion scheduled for 2020.

#### **Facility Goal: Transition 50% of facility square footage to LED or other energy-efficient lighting as compared to a 2017 baseline**

- **Goal Details:** Accelerate our transition to LED or other energy-efficient lighting by committing to replace existing lighting in more than 2 million square feet of facilities by 2020. Long-term benefits include cost savings, reduced maintenance through longer life cycle, and decreased cooling load as LED lighting generates less heat.
- **2019 Results:** We exceeded our goal by converting 51% of our facility square footage to LED lighting, that's over 1.2 million square feet of installations completed.

Examples of past successful projects include:

- Retro-commissioning project at our facilities in Berlin, Connecticut, improved our energy consumption and operating performance.
- Renovations to our Hartford, Connecticut, Area Work Center exceeded LEED silver certification standards.
- Installed a 10.92-kW solar array on the roof of our Community Building in Berlin, Connecticut.

- Installed a 51-kW solar photovoltaic system on the roof of our Energy Park headquarters building in Manchester, New Hampshire.

## Electric Vehicle Charging

Eversource has installed 47 charging stations at our facilities located throughout Connecticut, Massachusetts and New Hampshire. In addition, provisions have been made for additional stations in Massachusetts under the Electric Vehicle Make Ready Program. There have also been 22 natural gas vehicle fueling stations installed on company property.

## Fleet Emissions Reductions

Eversource is committed to reducing emissions from the transportation sector by evaluating and implementing strategic upgrades to our fleet. Our fleet consists of approximately 5,400 vehicles, including light-duty trucks for meter readers and bucket trucks for line workers.

As part of our goal to be carbon neutral by 2030, we have developed innovative projects and targets to drive emission reductions across the company. Fleet targets include:

- Replace 100% of our overhead trucks with plug-in hybrid electric vehicles by 2030.
- Pilot demonstration technology focused on electrification of heavy- and medium-duty vehicles that will be expanded pending results of pilots.
- Replace 50% of all fleet vehicles with hybrid electric vehicles (including some plug-ins) by 2030.

Along with other utility members of the Edison Electric Institute (EEI), the electric industry's most prominent industry trade group, we have pledged to commit 5% of our annual fleet spend on plug-in electric technologies. We have historically exceeded our commitment and in 2019 and 2020-to-date plug-in electric vehicle purchases represented approximately 38% of our lifecycle investment plan. We plan to continue our efforts and exceed the EEI commitment moving forward as we lead by example in our own operations.

Current initiatives include:

- Use of a passive plug-in hybrid system, Altec JEMS® (Jobsite Energy Management System), to run the hydraulics operating the booms on 74 bucket trucks, eliminating the need to idle the engine to run the equipment, resulting in reduced emissions and quieter operation. JEMS® systems comply with EEI's Transportation Electrification initiative and other incentives. During 2019, this technology reduced diesel fuel consumption by 8,700 gallons.
- Global positioning systems (GPS) installed in all of our fleet vehicles are reducing fuel consumption by optimizing the dispatch of vehicles already deployed in the field and by helping drivers find the most direct route to the customer location or job site.
- Installation of 47 electric vehicle (EV) charging stations at our facilities and operating plug-in hybrid EVs.
- Use of 103 compressed natural gas (CNG) powered vehicles across our service territory that in 2019 consumed the 23,594 gallon-equivalent of natural gas, thus avoiding 44 metric tonnes of CO<sub>2</sub>e emissions. As of 2019, there are seven total CNG vehicle refueling compressor stations owned by Eversource that are used by our corporate fleet.

- Use of a hybrid-electric drive system, XL Hybrid, to improve fuel efficiency by 25% and reduce emissions by 20% on specific ¾-ton pickups and cargo vans. In 2019, the fleet included four pickups with XL Hybrid technology.

**Progress on goal to replace fleet diesel with biofuel blend.**

- **Goal Details:** We have switched portions of our diesel equipment to operate on B5 and B20 biodiesel, an alternative fuel created by mixing diesel fuel, soybean oil and ethanol. In 2019, our goal was to replace 42% of our diesel with biofuel blend. Benefits include an estimated 1,300 MT CO<sub>2</sub>e avoided annually, which is equivalent to taking about 275 passenger vehicles off the road for one year. Additionally, the ability to refuel vehicles onsite led to improved efficiency and cost savings.
- **2019 Results:** We exceeded our goal in 2019, replacing 43.1% of fleet diesel with the biofuel blend, resulting in 1,265 MT CO<sub>2</sub>e avoided. Achieving the goal is predicated upon maximizing onsite fueling of vehicles with biodiesel. Outage events and other non-standard work precludes vehicles from being fueled onsite with biodiesel. Our Fleet Management team has created a monthly key performance indicator, which it shares with our Operations team, to demonstrate the percentage of onsite fueling achieved. In 2020, we set a goal based upon our 2019 performance and aim to replace 43% of our diesel with the biofuel blend.

Additionally, our Eco-Miles program tracks employee mileage savings through a variety of commuting options to capture driven miles avoided through carpooling, public transportation, telecommuting, or other mileage-savings options. Eversource employees collectively logged 263,838 miles in 2019, the equivalent to 106 metric tonnes of CO<sub>2</sub>e. Since the program began in 2009, employees have logged over 3.6 million Eco-Miles, the equivalent of saving 169,008 gallons of gasoline and 1,486 metric tonnes of CO<sub>2</sub>e.

**Part Standardization**

In 2017, Eversource began a multi-phase project to standardize the inventoried spare parts used across our service territory. This standardization results in significant cost savings, operational efficiencies, and environmental benefits by consolidating shipments, which reduces packaging and emissions from transportation. As we continue our standardization efforts, we are reducing inventory and optimizing efficiency from an operations and maintenance perspective.

In 2019, Eversource facilitated a process to standardize major substation equipment categories by competitively bidding a number of commodities that are used across our entire service territory. The intent of this initiative was to standardize the design, purchase, installation, and maintenance of equipment to achieve benefits such as safety, reliability, reduced labor costs, purchase cost savings, and spare parts consolidation. We also were able to negotiate extended warranties, vendor spare-part stocking programs, and free training that will familiarize our crews with the safe installation and operation of the equipment. Examples of the equipment that were part of this standardization effort are: breakers, power/auto transformers, circuit switchers, batteries, switchgear, disconnect switches, capacitor banks, current-limiting reactors, and capacitor voltage transformers.

## ADDRESSING REGIONAL ENERGY CHALLENGES

### Implementing Strategies to Reduce Regional Carbon Emissions

The carbon intensity of the New England electrical grid is among the lowest in the country and is continuously supported by state reduction goals in Connecticut, Massachusetts and New Hampshire. Each state is a member of the Regional Greenhouse Gas Initiative and has its own carbon goal or action plan to reduce GHG emissions, and we work with our regulators to contribute to targeted reductions. In 2017, the Massachusetts Department of Environmental Protection passed additional regulations aimed at SF<sub>6</sub> use and methane loss from distribution systems that will support the achievement of the state's targeted reductions in 2020. In April 2020, the state also established a 2050 statewide emissions limit of net zero GHG emissions and specified that in no event shall the level of emissions be greater than a level that is 85 percent below the 1990 level. In 2018, Connecticut also passed an interim GHG reduction goal of 45% reduction by 2030, and in 2019, the Governor signed an executive order requiring the Department of Energy and Environmental Protection to analyze pathways and recommend strategies for achieving a 100 percent zero carbon target for the electric sector by 2040.



State	Targeted Reduction by 2020 (CT, MA); Targeted Reduction by 2025 (NH)	Targeted Reduction by 2050
Connecticut	10% below 1990 level	80% below 2001 level/net zero for the electric sector by 2040
Massachusetts	25% below 1990 level	Net zero and at least 85% below 1990 level
New Hampshire*	20% below 1990 level	80% below 1990 level

\*Recommendation of the New Hampshire Climate Change Policy Taskforce

The following sections highlight Eversource initiatives that help to address regional energy challenges and support the regional greenhouse gas initiative implemented by the states in which we operate.

### Clean Energy

Eversource has established itself as a regional and national leader delivering innovative, forward-looking energy solutions. We are assisting Connecticut, Massachusetts and New Hampshire in meeting their environmental and clean energy goals, while also improving energy reliability and affordability. As part of our leadership, Eversource partners with like-minded companies and stakeholders to conduct our business in a responsible and sustainable way, providing the best solutions for our customers and the communities we serve.

## Renewable Portfolio Standards

Eversource is committed to help the states we serve in meeting their Renewable Portfolio Standards, which require a certain percentage of the states' electricity supply to come from renewable sources.



<b>Renewable Portfolio Standards &amp; Clean Energy Standards</b>			
	<b>2019</b>	<b>2020</b>	<b>2021</b>
<b>Connecticut</b>	27.5%	29.0%	30.5%
<b>Massachusetts*</b>	24.2%	26.7%	49.1%
<b>New Hampshire</b>	19.7%	20.7%	21.6%
*Massachusetts requirements include Renewable Energy Portfolio Standards and Clean Energy Standards.			

As New England's largest utility and dedicated stewards for the environment, Eversource is committed to bringing more clean, affordable and sustainable energy to the Northeast.

- **Wind:** Our partnership with Ørsted will expand our clean energy portfolio and allow for up to 4,000 megawatts (MW) of offshore wind.
- **Solar:** Eversource owns and operates 70 MW of solar generation that have the capacity to generate power for more than 11,000 homes. Additionally, Eversource customers have installed nearly 90,000 solar installations totaling about 1,570 MW.
- **Natural Gas:** In addition to the capital investments to upgrade our gas distribution system at an accelerated pace, we are helping to reduce natural gas leaks, improve efficiency of the gas distribution system, lower carbon emissions and provide safe, reliable service to our customers. We are executing on the state of Connecticut's initiatives that allow for the expansion of our natural gas distribution infrastructure. Additionally, our most recent rate case in Massachusetts requested a rate adjustment to help fund two pilot projects:
  - Gas demand response program – this three-year program will test the system's effectiveness in helping to shave peak demand, alleviate temporary pipeline constraints, reduce the amount of pipeline capacity the company needs to buy, and lower GHG emissions.
  - Geothermal network demonstration project – this program will explore what would be an alternative to natural gas for home heating and cooling by evaluating geothermal technology and its costs and benefits, along with a utility's capability to build and manage geothermal technology as part of an expanded business model.

For additional projects that focus on improving system reliability, that also address regional energy challenges, please see our [Reliability & Resiliency section](#).

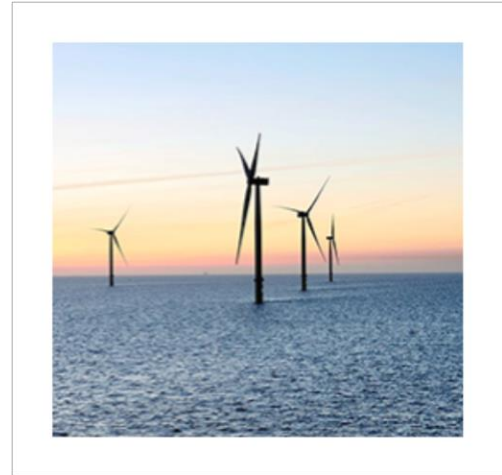
**Eversource Clean Energy Goal:** In 2018, we set a strategic goal to reduce regional GHG emissions by advancing clean energy projects that have the potential to bring 3,000 MW of renewable power to the region by 2030.

- **Goal Details:** Eversource-proposed projects will help our region offset GHG emissions by facilitating the increased regional use of wind and solar power. We are pursuing offshore wind projects and installing solar projects to the maximum extent allowed by state governments.
- **2019 Goal Progress:** Eversource has completed the construction of 70 MW of solar power, and our joint venture with Ørsted has the potential to develop at least 4,000 MW of clean, affordable offshore wind.

## Offshore Wind

New England benefits from relatively shallow waters near the coast, steady wind and nearby significant electrical load, making offshore wind an ideal energy resource for the region.

Since 2016, Eversource has been expanding our partnership with Denmark-based Ørsted to jointly develop, construct and operate at least 4,000 MW of utility-scale offshore wind turbines off the coast of southeast New England. Together, our companies bring the financial capability, deep local relationships and global offshore wind development experience needed to sustainably develop and operate these projects.



Just one rotation of the largest offshore wind turbines can produce enough power to cover the equivalent of one household's power consumption for 29 hours.

Eversource and our partner, Ørsted, have been awarded three offshore wind projects totaling more than 1,700 megawatts of capacity:

- **South Fork Wind:** 35 miles east of Long Island and expected to be commissioned by the end of 2023, it will generate 130 MW of energy under a long-term purchase power agreement with the Long Island Power Authority.
- **Revolution Wind:** Contracted to produce 704 MW and located 15 miles south of the Rhode Island coast. 304 MW is earmarked for Connecticut, with the remaining 400 MW going to Rhode Island. Revolution Wind is expected to be commissioned by the end of 2023.
- **Sunrise Wind:** An 880 MW offshore wind project awarded to the Eversource-Ørsted partnership by the New York State Energy Resource & Development Authority (NYSERDA). Sunrise Wind will supply electricity to more than a half million homes under an Offshore Wind Renewable Energy Credit (OREC) agreement, and will interconnect in Suffolk County, Long Island. The wind farm will be constructed in an offshore lease area located approximately 30 miles east of Montauk Point, Long Island, and expected to be operational by the end of 2024.

The development of offshore wind in the Northeast is in its beginning phase and the Eversource-Ørsted partnership will play an active role in its development.

## Solar Power

The Eversource solar program focuses on developing regulated, ratepayer owned large-scale solar facilities on sites which offer economies of scale and cost-effective energy production.

The Massachusetts Department of Public Utilities authorized Eversource to own and operate up to 70 MW of solar generation facilities. Along with the significant environmental benefits, there are substantial cost-saving benefits for Eversource customers in the Bay State.



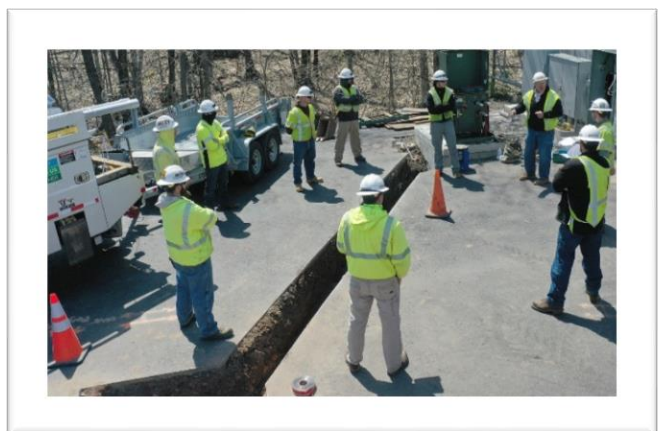
We now have 22 fully operational solar generation facilities totaling 70 MW in Massachusetts, which can power more than 11,000 homes. These sites are estimated to save nearly 36,000 metric tonnes of carbon per year, the equivalent to taking 7,600 cars off the road. Four of our solar facilities are located on landfill or brownfield sites, which have few alternative uses.

This large-scale [solar](#) power directly supports the Commonwealth's goal of their energy portfolio being 100 percent renewable by 2047. Eversource sells the solar energy directly into the regional energy market managed by ISO New England, the region's independent system operator, and customers will benefit from the proceeds. Additionally, the company receives Renewable Energy Credits for the power it produces and passes the savings along to customers through electricity rates.

Eversource is also actively pursuing legislation which would allow us to own regulated, large-scale solar in Connecticut and additional solar in Massachusetts.

## Natural Gas Distribution Expansion

Connecticut's Comprehensive Energy Strategy was updated in 2018 and reaffirmed that natural gas remains a cost-effective and cleaner fuel choice. In 2019, Eversource added a total of 8,461 new natural gas customers across both Massachusetts and Connecticut, with 4,524 being new Connecticut gas customers. We also expanded our distribution system in Connecticut by 72 miles of pipe in 2019. As we look to the future, we expect to bring the choice of natural gas to more than 82,000 Connecticut residential and business customers, which would reduce carbon emissions in the state by 820,000 tons—a 7% reduction in total emissions.



## Renewable Energy Customer Programs

Eversource works with state partners to provide renewable energy incentive programs for our customers. In Massachusetts, Eversource runs the Solar Massachusetts Renewable Target (SMART) program, the state's flagship solar market development program. To date, the program has supported the development of 94 MW of solar for more than 6,500 Eversource customers. SMART is a long-term effort that is expected to support 1,600 MW of solar in Eversource's territory in the coming years. In Connecticut, Eversource administers the low emission/zero emission renewable credit (LREC/ZREC) program as well as the new Shared Clean Energy Facilities (SCEF) program. The new SCEF program will support 120 MW of clean energy projects over the next six years with a primary focus on providing benefits for low- and moderate-income residents.

## Renewable Energy Credits

State-specific agreements facilitate development of clean and renewable projects. In Connecticut, there are several long-term contract opportunities, including the LREC/ZREC program, noted above, which to date has resulted in more than 2,100 behind-the-meter renewable energy projects. These 15-year REC contracts are expected to add 399 MW of new renewables in the state.

## Renewable Power Purchase Agreements

In addition to a number of small purchases we have made in the past, Eversource has recently committed to purchase significant amounts of clean energy for our region. These long-term Purchase Power Agreements stem from Massachusetts legislation intended to promote renewable energy, enhance reliability, ensure a resilient energy future for the Commonwealth, and secure progress toward greenhouse gas reduction requirements. Due to Eversource's significant efforts, 20-year agreements have been signed to purchase the renewable power generated from three projects. These projects will be shared by all three Massachusetts electric distribution companies ensuring a continued commitment to the development of renewable energy.

- [New England Clean Energy Connect](#) – 1,090 MW Canadian hydro and transmission project scheduled to come on line in 2022
- [Vineyard Wind](#) – 800 MW offshore wind project scheduled to come on line in 2023
- [Mayflower Wind](#) – 804 MW offshore wind project scheduled to come on line in 2025

Also, Connecticut has legislation in place for Connecticut electric distribution companies to purchase offshore wind. In May 2020, a 20-year agreement was signed with Vineyard Wind for 804 MW with expected operation around 2025.

## Electric Vehicles

Nearly half of New England's carbon emissions come from the transportation sector, and many of the states in New England have specified significant carbon reduction goals over the next few decades. As a result, progress towards carbon reduction in the transportation sector is imperative.

Eversource has taken a leading role in promoting the adoption of Electric Vehicles (EVs), which lower carbon emissions, through investments in charging infrastructure throughout our electric service territories. In fact, in Massachusetts, we are currently implementing the largest public-facing EV infrastructure program outside of California.



We are tripling the number of electric-vehicle charging stations in Massachusetts through a \$45 million investment in infrastructure.

**Electric Vehicle Infrastructure Goal: Drive adoption of EVs, enabling the installation of up to 3,500 charging ports in our Massachusetts service territory by 2022 through approved program.**

- **Goal Details:** In November 2017, the Massachusetts DPU approved Eversource's plan to invest \$45 million in EV charging infrastructure throughout our service territory in the state. The five-year program, started in 2018, will enable approximately 3,500 Level 2 and DC Fast Charger ports at publicly accessible locations, of which 10% will be in environmental justice communities. The program will increase the number of EV chargers in Massachusetts by 255%, enabling more than 22,000 EVs at its completion.
- **Benefits:** Drive adoption of EVs at publicly accessible locations to alleviate EV driver range anxiety, one of the barriers to adoption. It will also provide a platform for innovation in ownership and business models for EV charging stations, as Eversource will build and own the infrastructure to support the chargers, and the chargers themselves will be owned by third parties.
- **Goal Progress:** Eversource has made substantial progress towards deploying charging stations throughout our service territory in Massachusetts. In 2019, approximately 500 charging ports were installed at 125 different locations across various customer segments, including workplaces, municipal parking lots, destination locations and multi-unit dwellings. Additionally, significant customer interest is carrying program momentum forward into 2020.
- **Building the EV Infrastructure Ecosystem in New England:** Through our successful EV program, we have accelerated partnerships and increased deployment of EV infrastructure in New England. The EV infrastructure supply chain has been made more robust due to the increased demand from customers looking to deploy charging stations at their facilities through our program.
- **Leveraging our Expertise in Demand Management programs to enable smart charging at home:** Eversource continues to innovate in the Demand Management space by offering customers the ability to schedule their EV charging sessions at times that have less potential of grid constraints and respond to events where grid peak-shaving is called for. This innovative approach incentivizes EV customers to decrease the strain on Eversource's electric system while lowering carbon emissions even further.
- **Looking to the Future:** We continue to believe that the utility plays a central role in the transition to EVs and we are crafting our strategies to support new technologies and services along the way towards a clean energy future.

## Outreach

Eversource is creating opportunities for our customers who are increasingly considering EVs as an efficient and more environmentally responsible choice. We invest in research and programs to help make this technology a viable option for customers use. We are also actively engaged with policy leaders, automakers, neighboring utilities and technical experts to prepare our infrastructure to support EVs.

Since 2012, we have partnered with forward-thinking municipalities and businesses on research to understand charging station installation requirements, EV driver charging habits and potential future electric system requirements. We are using this research to address identified challenges and develop mitigation strategies to better serve our customers.

We host and participate in several EV Ride & Drive events, giving customers a chance to experience EVs on the road, and sponsor EV dealer training. In September 2019, Eversource partnered with Clean Energy New Hampshire to promote electric vehicle use in the Charge Forward Electric Vehicle Rally. Additionally, our EV resource page on [Eversource.com](https://www.eversource.com) offers fast access to EV information and resources.

We have also implemented a stakeholder series to tackle the challenges that arise when implementing an EV infrastructure program. Through this engagement, we gathered valuable feedback from our communities, customers and vendors about best practices for EV station deployment and creating solutions for our various customers that fit their needs. Further, we dedicated one of the stakeholder sessions to raising and suggesting solutions to the growing equity gap in transportation electrification.

### Eversource Electric Vehicle Commitments

All of the states that we serve are pursuing comprehensive plans that include the advancement of EVs. Connecticut and Massachusetts are two of eight states that signed the [State Zero-Emission Vehicle Program Memorandum of Understanding](#) in 2013, with a combined two-state target of having 450,000 zero-emission vehicles on the road by 2025, along with the supporting infrastructure.

In Connecticut, we are working with the Department of Energy and Environmental Protection (DEEP) on programs to support EV adoption and development of EV charging infrastructure. Details on these programs can be found at [EV Connecticut](#). Eversource funding for DEEP programs has included the installation of publicly accessible DC Fast Chargers and grants to increase the number of publicly available EV charging stations. Additionally, in an effort to support customers that choose to install publicly available charging stations at their locations, Eversource requested and received approval from the Public Utilities Regulatory Authority to provide an alternative EV-specific rate option. Details on this rate can be found at [Eversource.com](https://www.eversource.com).

In Massachusetts, Eversource serves as a commissioner on the Commonwealth's [Zero Emission Vehicle Commission](#), which studies the economic and environmental benefits and costs of increased use of zero emission vehicles. We are working with the Department of Energy Resources on programs to advance the EV market through a combination of studies, outreach and education. Additionally, in 2019, we announced a partnership with Mass Audubon to install EV charging stations at seven of the conservation nonprofit's network of wildlife sanctuaries. Other customer deployments last year also include familiar names such as Boston Properties, Big Y Grocery Stores and the Cape Cod Regional Transit Authority.

In New Hampshire, Eversource serves as a member of the Electric Vehicle Charging Stations Infrastructure Commission, to study and recommend policy on the development of EV charging stations throughout the state. In 2019, Eversource, as part of a joint effort with the state's other utilities, proposed a plan for creating a DC Fast Charging network across New



Hampshire's travel corridors to bolster New Hampshire's tourism industry and bring more business to the local economy while providing environmental and sustainability benefits.

Eversource is committed to explore solutions that support EV owners in our service territory, while ensuring system reliability for our customers. In 2014, along with the Electric Power Research Institute, 15 utilities and eight automakers, we supported the development and demonstration of an open Vehicle-Grid Integration Platform software system that integrates plug-in EVs with smart grid technologies, allowing customers the option to charge off-peak.

Eversource is a signatory to the [Guiding Principles to Promote Electric Vehicles and Charging Infrastructure](#), a collaboration with the U.S. government and nearly 50 industry members to accelerate the deployment of EV charging infrastructure and increase the number of EVs on the road today. Part of the 2016 announcement included the U.S. Department of Energy (DOE) unlocking up to \$4.5 billion in loan guarantees to support innovative EV charging facilities.

In 2018, we also became a signatory to the [Transportation Electrification Accord](#), a commitment to principles that further the advancement of an equitable, prosperous and electrified transportation future.

Eversource is expanding our EV programs for employees, adding charging stations to many facilities across the company. We're also working to reduce emissions in our fleet as well, as highlighted in [Our Footprint](#).

## Energy Efficiency Programs

Energy efficiency is one of the most effective ways to save money, create jobs, reduce GHG emissions and enhance energy security. Eversource is consistently recognized as a leader in energy efficiency by national industry organizations. We take great pride in designing and delivering solutions that are emulated by others across the country. Our energy efficiency portfolio reflects and responds to the way our customers live and use energy today and takes a multi-year approach that enables us to help customers plan for the future.

**We remain the nation's #1 provider of energy efficiency programs, investing more than \$500 million in 2019 alone to help customers save about 1 billion kilowatt-hours and over 10 million therms per year and reduce their energy costs by nearly \$200 million per year.**

Our expertise is widely recognized in the industry and beyond:

- Eversource is the #1 Energy Efficiency provider in the nation, according to Ceres' report, "Benchmarking Utility Clean Energy."
- The American Council for an Energy-Efficient Economy (ACEEE) 2019 State Energy Efficiency Scorecard ranked Massachusetts first in the nation for the ninth year in a row, and Connecticut ranked sixth.
- ACEEE also ranked Eversource first in its 2020 Utility Energy Efficiency Scorecard.
- Eversource initiatives in all three states earned the 2019 ENERGY STAR Partner of the Year Sustained Excellence Award from the U.S. Environmental Protection Agency and the U.S. DOE.

In 2019, customer participation in Eversource energy efficiency solutions saved enough to equal the output of two 105-megawatt power plants. Additionally, in 2019 Eversource energy efficiency solutions generated approximately \$186 million in annual savings for participating customers and over \$1.6 billion in lifetime customer savings.

View detailed 2019 and historical [energy efficiency information](#).

Electric EE Customers	Estimated Savings	Estimated Equivalent Benefits
2019 Annual Savings	902 million kWh	Power 107,000 homes per year
Lifetime Savings of Installed Measures	8.6 billion kWh	Power 1.0 million homes for a year
Lifetime CO <sub>2</sub> Reductions	2.6 million metric tons	571,000 cars driven for one year

Gas EE Customers	Estimated Savings	Estimated Equivalent Benefits
2019 Annual Savings	8.6 million therms	Heat 11,900 homes for a year
Lifetime Savings of Installed Measures	119 million therms	Heat 165,000 homes for a year.
Lifetime CO <sub>2</sub> Reductions	611,000 metric tons	132,000 cars driven for one year

**By installing energy efficiency measures, Eversource customers reduced MWh and Therms consumption and cumulatively saved more than \$1.03 billion in five years.**

The bar charts in Figure 1 and 2 below reflect the energy savings and customer dollar savings impact of the investments/actions in one year. The line in the charts shows the cumulative dollars saved to reflect that the efficiency improvements continue to result in savings over the life of the equipment installed.

Figure 1.

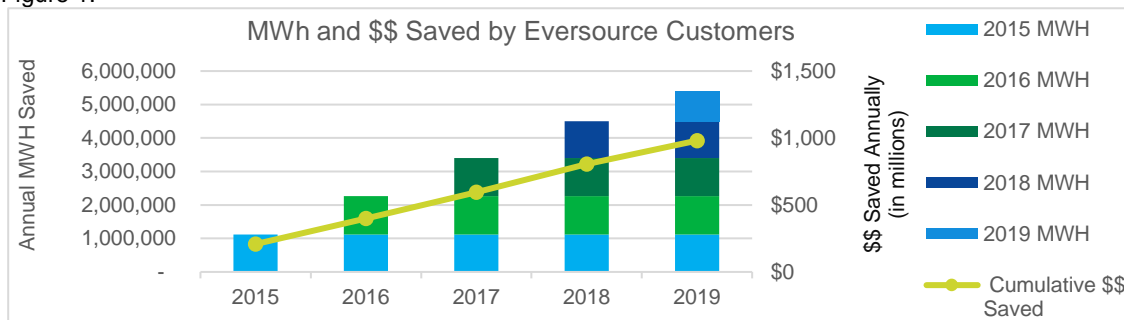
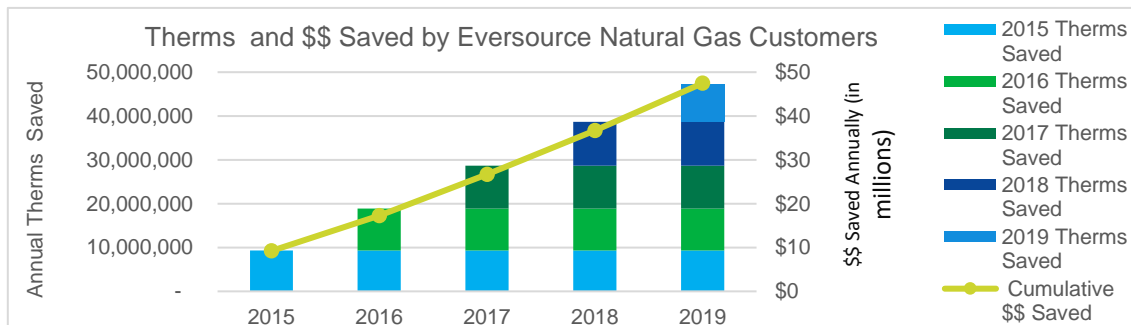


Figure 2.



## Energy Efficiency Solutions

Eversource is committed to shaping new, forward-looking energy efficiency policies, legislation and regulations in each of the states in which we operate. We are proud to partner with our regulators and stakeholders, including the New England Clean Energy Council, Massachusetts Energy Efficiency Advisory Council, Connecticut Energy Efficiency Board and the New Hampshire Energy Efficiency and Sustainable Energy Board, to offer three statewide energy efficiency initiatives: Energize Connecticut, Mass Save and NHSaves.

We provide innovative, industry-leading ways to help all customers save money and energy. We offer discounts, rebates and incentives for energy-saving products and services, professional energy assessments, tools to help customers better understand their energy use, quick energy-saving facts, and much more.

Eversource works with businesses small and large to identify and implement energy improvement opportunities, reduce operational costs, and increase productivity and competitiveness. We focus on a comprehensive approach to energy efficiency, emphasizing strategy and efficient use of available resources to have the biggest impact. Our highly skilled technical staff is dedicated to connecting customers to those solutions and to the financial incentives that help lower costs and improve payback for customers.

The solutions we offer vary by state. We invite you to visit the “Save Money and Energy” pages on Eversource.com in each state for details.



## Energy Efficiency in Our Communities

Eversource serves the communities where we live and work in numerous ways, including offering educational curriculum for students of all ages, as well as training and workforce development opportunities for adults, including partnerships with community colleges. We also work with community action agencies in all three states to connect low-income customers with energy efficiency solutions which in most cases are provided free of charge to qualified customers.

## Reaching Small Businesses

Our Small Business Energy Advantage initiative helps connect small business customers to energy- and money-saving upgrades like LED Lighting, Smart thermostats, improved insulation, and HVAC upgrades. In Massachusetts and New Hampshire, Eversource partners with municipal and community small business associations on “Main Streets” campaigns. These campaigns raise awareness of the energy efficiency services available and include a door-to-door campaign to offer small business owners no-cost energy assessments. To help make sure everyone in our community has the opportunity to save money and energy, materials are often translated into other commonly-spoken languages and translators join the door-to-door outreach to help reach non-English speaking customers.

The Main Street campaign in Chelsea, Massachusetts, connected the community to an estimated \$150,000 in annual energy savings, while improving the aesthetics of many shops, helping local business owners provide the best customer experience possible and cut costs. To date, we have held more than 30 Main Streets events in communities throughout Massachusetts and New Hampshire.

## Energy Optimization: A Holistic View of Energy and Carbon Savings

In 2019, Eversource began using an Energy Optimization approach, a holistic and integrated approach to helping customers address their energy use and associated costs based on their individual needs and goals. Energy Optimization allows our experts to look at a customer’s potential energy and carbon savings holistically rather than looking at different fuels (electricity, gas, oil, etc.) in isolation. This approach helps customers save more money and energy and helps lower GHG emissions further by focusing on lowering overall energy costs and helping customers see if switching to more efficient equipment such as electric air-source heat pumps or high- efficiency natural gas heaters makes sense for them, regardless of what fuel they are currently using to heat their home.

We are confident that providing a holistic view of cost- and carbon-saving potential can lead to the optimal energy-saving projects, helping to empower home energy experts with the best strategies, contractors with the newest and strongest tools, and customers with optimal energy savings.

## ConnectedSolutions: Lowering Demand by Engaging Customers of All Types

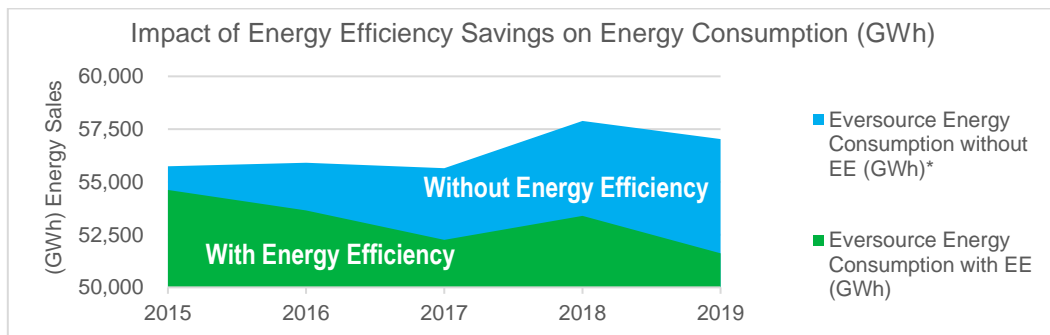
Eversource is leveraging the power of connected technology to lower peak demand and carbon emissions with our ConnectedSolutions demand response program. ConnectedSolutions provides incentives to residential and C&I customers across our service territory for reducing demand on the electric grid when demand for electricity is typically highest. This decreases the need to run expensive and inefficient generating units, providing cost and emission benefits for all customers.

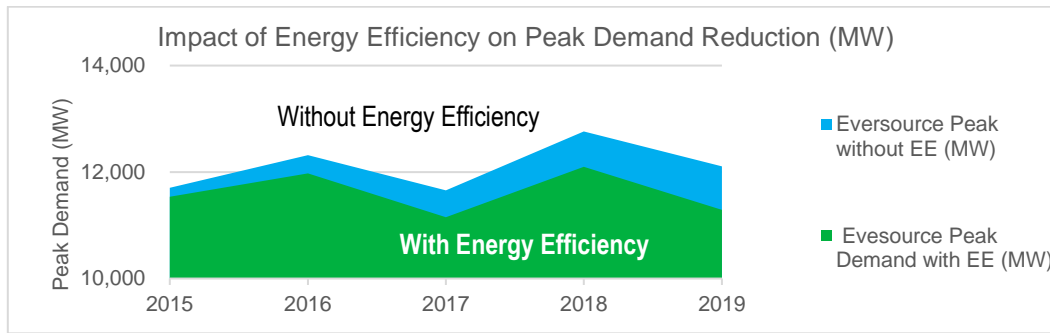
ConnectedSolutions features a wide range of eligible technologies designed to allow customers of all types to participate and earn incentives while minimizing customer impact. Residential customers can enroll Wi-Fi-connected thermostats, EV chargers and home batteries, which Eversource can control remotely and adjust during periods of high demand. C&I customers can access a variety of eligible technologies, including large-scale storage, that Eversource can call on remotely, or customers can simply reduce their energy use manually when requested to by Eversource.

In 2019, ConnectedSolutions provided 48 MW of peak-load reduction and is on track to provide more than 100 MW of peak load reduction in 2020 and 2021. More than 15,000 Wi-Fi thermostats are enrolled across all three states, and more than 286 C&I accounts participated in the program in 2019. ConnectedSolutions also won a national award in 2020 for “Outstanding Residential Program Design” from the Association of Energy Services Professionals (AESP).

Figure 3 and 4: Offsetting Demand

\* Source for GWh sales are Eversource’s Annual Reports





By installing energy efficiency measures, Eversource customers reduced peak demand by more than 798 MW cumulatively since 2015.

## Customer Highlights

### New Hampshire

In 2019, Eversource and the University of New Hampshire (UNH) signed a three-year energy efficiency Memorandum of Understanding (MOU) — the first partnership of its kind taken on by any of New Hampshire’s colleges or universities. The partnership will take a comprehensive, cost-effective approach to energy management at UNH’s Durham campus, reduce university operating costs, free up capital and enhance budget forecasting for future building and infrastructure improvement projects. The long-term savings will allow UNH to continue to invest in energy-efficient improvements, offer more services, and reduce the campus’s environmental impact.

Through the partnership, UNH commits to annually saving 3-4 percent of its energy purchased from Eversource. To date, over 20 energy efficiency improvement projects are already underway or completed, including new LED lighting and controls in several buildings across campus, lab air change reduction in labs, new HVAC and Variable Frequency Drives (VFD)-upgrades, and more. Over three years, the partnership is projected to avoid 1,169 tons of CO<sub>2</sub> emissions. [View the video case study.](#)

Also committed to small business development in the Granite State, we partnered with the New Hampshire Small Business Development Center to enhance their Business Sustainability Program and provide support and energy expertise to the organization’s clients. That expertise will be used during confidential one-on-one consultation sessions, advising small business owners in the areas of environmental management, energy efficiency assessment, funding, and employee safety.

### Connecticut

In May 2019, Eversource partnered with Hartford Habitat for Humanity to complete Habitat’s first Zero Energy Ready Home — a house so efficient it can offset most or all of its energy consumption. The house uses several energy efficiency solutions, including optimal thermal protection, a heat-pump water heater, high-performance heat and cooling, solar-ready construction and more. As stated by Hartford Mayor Luke Bronin, “Habitat for Humanity changes lives and lifts up communities by expanding home ownership opportunities and combining that mission with cutting-edge green building and sustainability efforts.” [View the video case study.](#)

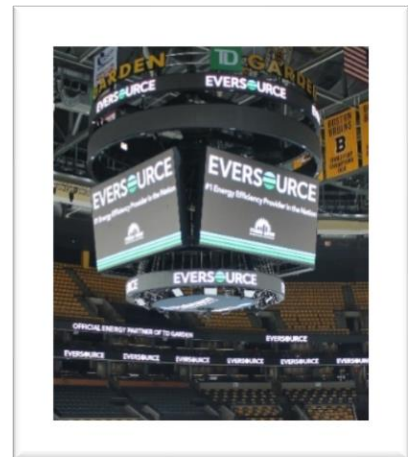
In November, Eversource and New England Airfoil Products (NEAP) unveiled energy efficiency upgrades at the aerospace manufacturer's Farmington headquarters. The upgrades included a new LED lighting system, which uses 75% less energy than the previous system, and a new air compressor VFD, which cut HVAC energy usage by more than 35%.

The partnership will result in CO<sub>2</sub> reductions of more than 470 tons a year and more than \$50,000 in annual energy savings thanks to these upgrades. Energy efficiency will allow NEAP to remain as competitive as possible, while focusing on workforce development, job growth, and its commitment to sustainability.

## Massachusetts

In 2019, Eversource helped Polar Beverages install a new high-efficiency gas-fired boiler with controls at its Worcester bottling plant. This was the latest in a series of natural gas efficiency improvements Polar has made over the past decade in partnership with Eversource. These improvements have helped Polar increase production capacity and efficiency while saving \$180,000 a year in energy costs and avoiding 1 ton of CO<sub>2</sub> emissions a year. [View the video case study.](#)

Just across the river from Boston's TD Garden, Eversource partnered with the City of Cambridge to create the Cambridge Building Energy Retrofit initiative, which targets large buildings that report their energy use to the city under the Cambridge Building Energy Use Disclosure Ordinance. The initiative will proactively connect these building owners and facility managers to energy efficiency services, incentives and technical support. Buildings currently account for 80% of Cambridge's total emissions, and Cambridge city officials expect this partnership with Eversource to be a key component of their city-wide Net Zero Action Plan to be carbon-neutral by 2050.



## Industry Engagement

Eversource is a leader within the energy efficiency industry and collaborates with market-leading organizations to advance energy efficiency policy and share best practices in energy efficiency program design and customer outreach. Eversource also works with vendors and distributors of energy efficient products to further market transformation by helping to ensure access to energy-efficient products, in many cases offering incentives directly to vendors and distributors which are passed on to customers at the point of sale.

## 2020 Energy Efficiency Goals

2019 was the first year of the 2019-2021 energy efficiency plans in Connecticut and Massachusetts and the second year of the 2018-2020 plan in New Hampshire. In all cases, the plans continue to support resources for residential customers of every income level and businesses of all sizes.

Eversource has set aggressive goals for 2020 that support our customers' current and longer-term needs and reflect the energy efficiency and environmental regulations and goals of the states in which Eversource operates.



Energy Efficiency 2020 Goals	Eversource CT Electric	Eversource MA Electric	Eversource NH Electric	Eversource MA Gas	Eversource CT Gas
<b>Spend (US\$)</b>	162,278,625	\$318,325,000	47,507,758	\$58,870,000	\$21,845,322
<b>Annual kWh Savings</b>	250,393,688	726,141,446	106,615,917	-	-
<b>Summer Peak KW Savings</b>	37,176	91,240	12,398	-	-
<b>Winter Peak KW Savings</b>	49,142	79,933	15,550	-	-
<b>Annual ccf/therm Savings (1)</b>	-	-	-	7,287,293	2,675,200
(1) Massachusetts Annual Savings are reported in therms and Connecticut Annual Savings are reported in ccf consistent with each state's regulatory reporting requirements.					

DISCLAIMER: Please note that the above table is for planning purposes only.

Energy efficiency plans filed with regulatory bodies in the Eversource service territory are available at the following links:

[Connecticut 2019-2021 Plan](#)

[Massachusetts 2019-2021 Plan](#)

[New Hampshire Statewide Energy Efficiency Plan 2018-2020](#)

## Technology & Innovation

Innovation is key to unlocking the collective power and creativity of our employees and partners, seeking new application of existing technologies, and embracing the potential of emerging technologies. Eversource is taking steps to explore the potential of technology in many areas to improve the reliability and resiliency of our system, achieve our Carbon Neutral by 2030 goal, and serve our customers safely and effectively. Additionally, we look to evolve our Analytics and Automation practices, and already see how these technologies will continue benefitting the industry.

### Grid Modernization

Our grid modernization program supports investments in new technologies that will increase the capacity of our distribution system to incorporate solar generation and other clean distributed energy resources (DER) while continuously improving customer engagement and the safety, security, reliability, resiliency and cost-effectiveness of the distribution grid.

#### Massachusetts

In 2018, the Massachusetts DPU authorized Eversource's three-year \$133 million grid modernization plan (GMP) that will modernize our electric distribution infrastructure to improve reliability and facilitate integration of DER. The GMP includes investment in tools to better manage the grid; increase the automation and flexibility of the system; and improve our communications and advanced-sensing capabilities across the distribution system.

As part of our GMP implementation, we will deploy Volt VAR optimization (VVO) technology on a portion of our Western Massachusetts distribution system to demonstrate benefits such as increased system efficiency and reduction in line losses; lower peak demand; reduced GHG emissions; and improved integration of solar generation. Initial results from the VVO program are expected to be available by the end of 2020.

Building upon the benefits delivered to customers resulting from the first GMP, Eversource is developing plans for further grid modernization programs beyond 2020. Among other benefits, these investments are intended to support the integration of customer-owned solar PV panels and energy storage in areas of Massachusetts with high penetrations of DER.

### **Connecticut**

In 2017, Connecticut PURA approved Eversource's proposal for investments designed to improve the process to interconnect DER. These investments included the development of an online portal that improves the application and tracking process for interconnecting customers and developers. Additionally, we completed a hosting capacity analysis and created mapping tools for developers of solar or other DER facilities to gain more visibility into the relative challenges of interconnecting in specific locations in Eversource's Connecticut service territory, which are available to customers at Eversource.com.

In October 2019, Connecticut PURA issued a framework for an equitable modern grid. The objectives of the framework are: (1) support (or remove barriers to) the growth of Connecticut's green economy; (2) enable a cost-effective, economy-wide transition to a decarbonized future; (3) enhance customer access to a more resilient, reliable, and secure commodity; and (4) advance the ongoing energy affordability dialogue in the state, particularly in underserved communities. The framework established eleven proceedings related to energy affordability and grid modernization. Proceedings focus on topics including advanced metering infrastructure (AMI), innovation pilots, energy storage and electric vehicles. Eversource is actively participating in all proceedings and we are working to develop programs that will achieve the objectives of the framework and deliver benefits to Connecticut customers.

### **New Hampshire**

In May 2019, we announced a proposal to develop the Oyster River Clean Innovation Project, a community microgrid serving the University of New Hampshire campus and critical infrastructure in the surrounding town of Durham. The microgrid will enable the grid to act as an island during extreme weather, ensuring that power serving the campus and critical town facilities is not interrupted. The microgrid proposal includes provisions for Eversource to add solar generation and energy storage as clean energy solutions to improve system resiliency and provide other benefits such as peak load reduction. Eversource is working to finalize the project design in advance of filing the Oyster River project with the New Hampshire Public Utilities Commission

### **Energy Storage**

Eversource has commenced development of two battery storage projects in Massachusetts — the Outer Cape and Martha's Vineyard Community Battery Projects.

**Our state-of-the-art battery storage project, being built in Provincetown, Massachusetts, will provide back-up power for Outer Cape Cod customers during outages.**

### **The Outer Cape Community Battery Project**

This project will provide an innovative industry-leading battery storage solution for one of the most vulnerable areas of our service territory from a storm perspective: the towns of Wellfleet, Truro and Provincetown. These towns have experienced more than 15 major outage events over the last five years, representing over 45,000 customer outage hours. To address the system reliability needs of the area, we are constructing a 24.9 MW/38 MWh lithium-ion battery storage facility at the tip of the Outer Cape in Provincetown. The battery will reduce outages by more than 50% for customers in Wellfleet, Truro and Provincetown, based on historic data. It will be capable of providing 1.5 to 3 hours of backup power in summer “peak” conditions and up to 10 hours in the winter, spring and fall (when most of the major outages have historically occurred). All necessary approvals have been received and construction began in March 2020, with our goal to commission the project by early 2021.

### **The Martha’s Vineyard Community Battery Project**

Martha’s Vineyard is served by four underground cables from Falmouth, Massachusetts. Due to continued development on the island, the cables come under heavy use in summer peak conditions. Currently, when one of these cables fails or is under heavy demand, the island relies on five diesel-fired generators that date back to the 1950s. The Martha’s Vineyard Community Battery Project will enable the demonstration of reduced reliance on the diesel generators. A 4.9 MW/20 MWh lithium-ion battery will shave peak to relieve load on the underground cables and reduce transmission and power costs for customers. Additionally, it will contribute to power quality on the island and support increased solar photovoltaic hosting capacity. Pending all necessary approvals, our goal is to commission the project by early 2021.

### **Automation Programs**

Eversource employs a large amount of distribution automation on our overhead and underground circuits. When a fault occurs, this equipment automatically isolates the faulted portion of the circuit and restores service to customers in the unaffected portion. Our distribution automation effectively reduces the impact of outage events by over 25% on average, and we are piloting new technologies to provide even more benefits to customers and the electric system.

Eversource utilizes overhead reclosers that can enhance distribution outage mitigation with single-pole switching, which can significantly reduce the impact of objects such as tree limbs that come into contact with utility lines. This faster automatic service restoration will improve reliability and minimize the number of customers impacted from a fault.

Eversource utilizes smart fuse devices as part of a lateral-reclosing strategy which ensures transient faults do not result in a sustained interruption and other laterals on the feeder do not experience a momentary interruption. Power can be restored automatically for transient faults, avoiding a sustained outage or the need for a truck roll.

We are continually improving and benchmarking our ability to integrate renewable energy onto our distribution system, including a pilot program utilizing cellular technology to seamlessly integrate renewable energy, such as solar farms and fuel cell projects.

These efforts not only improve reliability but also obviate the use of back up generation, which has higher emissions.

## Gas Demand Response Demonstration Project

Eversource has proposed a gas demand response demonstration project in Massachusetts, that is pending regulatory approval. Demand response programs are common in the electricity sector to help customers monitor and manage their energy use. In general, gas demand response programs function similarly as electric demand response programs. Customers reduce their natural gas consumption in response to a signal they receive from the utility for a set time period. In exchange for customers temporarily reducing their usage, the utility pays the customer an incentive. The project, which is being proposed for both residential and commercial and industrial customers, is designed to test whether such a program can shave peak demand, alleviate physical pipeline constraints, reduce the amount of pipeline capacity the company needs to buy to service customers and reduce greenhouse gas emissions by reducing overall gas usage.

## Geothermal Pilot

As part of our ongoing NSTAR Gas rate case (Docket # 19-120) in Massachusetts, Eversource has proposed a demonstration project that would evaluate the feasibility of constructing geothermal network loops coupled with ground source heat pumps (GSHP) as a low carbon alternative for building heating and cooling needs. This proposal has not yet been approved by the Massachusetts Department of Public Utilities, but we are optimistic for a favorable outcome when an Order in the docket is issued, likely in the fall 2020 timeframe.

Geothermal technologies take advantage of the relatively stable temperature of the ground to provide heating and cooling. A heat exchanger extracts heat out of the ground in winter and extracts heat out of buildings and pushes it into the ground in summer. Geothermal systems tend to be very efficient, with Coefficients of Performance of 300 to 600 percent. That means that one unit of electricity used to drive the heat pump can extract three to six times the energy from the ground.

To deliver space heating and cooling, geothermal systems transfer energy between a building and the earth by circulating water (or a non-freezing liquid) to a series of underground piping. This piping can be placed in long horizontal trenches and/or deep vertical wells ranging between 300 and 1,500 feet deep. Geothermal systems distribute heating and cooling throughout a building by circulating warm air, cold air, and water within the building. This is similar to how fossil-fuel furnaces and boilers function, although geothermal systems operate in different temperature ranges. To accommodate these operating temperatures, existing interior building equipment may need upgrading and/or replacement to provide adequate heating and cooling during the coldest and warmest days of the year.

We are proposing to test geothermal networks in a series of targeted scenarios. These scenarios include establishing geothermal networks at multi-family buildings, in mixed-use residential and commercial areas, and residential neighborhoods. Expected customer benefits from a geothermal system include: 1) less costly ongoing heating/cooling system; 2) a reliable system that does not have components such as a condensing unit outside of the house; 3) cleaner, safer, quieter system (no on-site combustion within the house means no carbon dioxide); 4) provides both heating and cooling; 5) GSHP equipment is located inside the building so there is an ease of repair/maintenance and no aesthetic impacts; and 6) conventional heating and cooling equipment typically has a life expectancy of 5 to 10 years, whereas GSHPs are estimated at 25 years for the inside heat pumps and 50+ years for the ground loop.

Please also see our [Reliability & Resiliency](#) section for information on the innovative Eversource Energy Center.

## ACCOUNTABILITY

We hold ourselves accountable for the impact our business might have on the environment, while meeting, and in many cases exceeding, all environmental laws and regulatory commitments and requirements.

### Water Resources

Our commitment to protect water resources is unwavering. This has become an even stronger focus following our 2017 acquisition of Aquarion Water Company, as we strive to ensure that our system is resilient from water-based risk. Areas of concern include the impacts of climate change, water availability, water conservation, water quality and system resiliency.

#### Climate Change

Changing weather patterns due to climate change have made it necessary to plan for more severe weather events across our service territory. Additionally, more extreme temperatures increase customer demand on our systems.

More frequent intense storms may lead to:

- Increased coastal erosion and damage to infrastructure.
- Increased levels of various contaminants to our reservoirs due to high volume run-off.
- Increased operating costs due to storm damage, additional treatment of contaminants and employee resources.

Additionally, increased periods of dry weather may lead to falling reservoir and groundwater levels, which could impact water availability and quality.

The following sections highlight comprehensive programs we have in place to address risks that may impact water availability and water quality. Please also see our [Reliability & Resiliency section](#) for more details on our efforts.

#### Water Availability

We are committed to ensuring that the water supply remains sufficient today and into the future through our water conservation efforts, energy efficiency, system expansions, and sustainable management of land and natural resources. Aquarion obtains its water supply from company-owned reservoirs and wells, as well as water purchased from other water suppliers. Approximately 98% of our annual production is self-supplied and processed at ten surface water treatment plants and numerous well stations, which are located in Connecticut, Massachusetts and New Hampshire.

Aquarion has developed a Water Supply Plan approved by the Connecticut Department of Public Health. It uses current and projected population, estimated current and future water use and available water to ensure the capacities of Aquarion's sources of supply, water treatment, pumping and distribution facilities, are sufficient to meet the present requirements of our customers under normal conditions. We also utilize annual reviews to ensure we meet Margin of Safety requirements when developing capital programs to meet future needs.

Recent changes to existing streamflow regulations in Connecticut will require Aquarion to release a greater volume of water downstream from our reservoirs. This will affect Aquarion's water availability, losing up to 15% of Safe Yield (15 MM gallons). This water risk is currently managed through a carefully developed Water Conservation Plan with goals, objectives and programs for demand and supply management.

## Water Conservation

We strive to reduce water use in our own operations and work with customers to implement conservation programs to ensure that critical needs, such as human consumption and fire protection, are met. With a longer-term view, we engage the communities we serve to mitigate threats on water supply resulting from development.

Aquarion's Conservation Committee focuses on all phases of water conservation from production, meter accuracy, leakage testing, education and communications, to water resource planning and preparation of water conservation plans. The purpose of the committee is to:

- Monitor company activities and programs to assure adherence to written plans and regulatory compliance.
- Improve existing conservation programs.
- Develop model conservation programs and plans.
- Provide better value for our customers by using less water to meet the same needs.
- Lower water rates by judicious allocation of capital resources between capacity development and infrastructure improvements.
- Reduce the amount of power and chemicals used in the water treatment and distribution process.
- Minimize environmental impacts by reducing withdrawals from the environment.

The demand management component of Aquarion's Water Conservation Plan is designed to educate consumers through mailers/bill inserts, newspaper advertisements, television advertisements, public signs and social media on the importance of conserving water as a natural resource throughout our service area.

Additionally, Aquarion has implemented a "Two Day Per Week" irrigation policy in Darien, Greenwich, Stamford, New Canaan, Newtown and Westport, Connecticut. Compliance is actively monitored, and these restrictions are expected to:

- Save 10% to 20% of total water demand in the Southwest Fairfield County (SWFC) region.
- Result in short-term and long-term cost savings via:
  - Reduced utility operations and maintenance, including reduced energy and chemical use.
  - Downsized, delayed, or avoided infrastructure expansion/improvements.
  - Cost savings that help control customers' future water bill increases.
- Be equitable - rule applies to all, from small properties to estates.
- Reduce need for restrictions during drought.

## Water Delivery Infrastructure

Aquarion has a long-term infrastructure improvement plan in place focused on lowering risk in terms of water supply reliability. A priority area has been to increase the transfer of water from the Bridgeport System to the SWFC region. Phases 1 and 2 of multi-year improvement program are complete. The routing analysis for Phase 3 was completed in 2019 and design of the improvements is underway. Construction of the \$50M+ Phase 3 watermain improvements is scheduled to be completed over a three-year period beginning in 2021.

Dams are a vital asset for water supply. Aquarion has a long-standing program to inspect its dams in conformance with state requirements and an active maintenance and capital program so that dams are maintained and rehabilitated to ensure their reliability for public safety, as well as long-term water supply needs.

Annually we survey the vast majority of the water mains in our service territory as part of a leak detection program to identify and reduce water loss through distribution system leaks.

### Water Quality

Protection of water quality is of primary concern to Aquarion, and our first effort in any project is to avoid impact to waterways. Projects that intersect water resources are permitted when required and best management practices are employed to mitigate potential impacts to water quality.

**We are working closely with state health agencies, US EPA and the American Water Works Association to determine protective drinking water standards, viable laboratory testing methods, effective water treatment technologies and environmental cleanup standards that will be in the best interest of our customers and the environment.**

Aquarion actively manages sources of supply, treatment processes, and distribution systems to maximize water quality and customer satisfaction. We also conduct extensive water testing from our sources to the customer's tap. In 2019, Aquarion collected over 19,000 water samples and completed over 173,000 water quality tests. Results are reviewed by our health agency regulators monthly, and customers are informed through our annual water quality reports. Please see the [Aquarion website](#) for more details about how we provide water quality excellence to all the communities we serve.

Aquarion is actively involved in regulatory developments related to emerging contaminants such as PFAS (Per- and poly fluoroalkyl substances), a large group of man-made organic chemicals that have been widely manufactured and used worldwide for over 50 years. In recognition of the growing concern about PFAS, Aquarion voluntarily began a PFAS testing program in 2019 for our public water systems and has made the results available on the Aquarion website. Only one well, the Oak Pond Well in Millbury, Massachusetts exceeded the current guidelines and was immediately taken out of service. We are working closely with state health agencies, US EPA and the American Water Works Association to determine protective drinking water standards, viable laboratory testing methods, effective water treatment technologies and environmental cleanup standards that will be in the best interest of our customers and the environment.

### Water Source Management

Sustainably managing the land and natural resources is critical to protecting and enhancing water quality. We review proposed developer projects, construction proposals and other activities that might have an environmental impact on Aquarion water source areas. We perform property inspections and monitor activities to ensure our water supply systems are protected.

Aquarion’s Connecticut reservoirs are surrounded by more than 15,000 acres of forest that serve as both a critical safeguard and an invaluable resource. By retaining moisture, filtering runoff and keeping streams pristine, the forest protects water supplies for hundreds of thousands of people. Its millions of trees help to clean the air and moderate the climate. It also provides intact ecosystems where a diverse range of plants and wildlife can survive and flourish, and it provides the public with places to find peace, beauty and recreation. Managing this highly sensitive land requires a keen eye on its critical functions. Today this property is managed by a partnership among the Connecticut Department of Environmental Protection, The Nature Conservancy and Aquarion. As a member of the partnership, Aquarion works to protect the forest’s many functions and resources. Our stewardship activities range from helping our partners route and maintain recreational trails in order to prevent erosion and shield critical habitat, to enforcing usage regulations and state laws, to acting as a good neighbor to adjacent landowners.



### Water Use

Water withdrawn from our sources is distributed to our customers through our network of water mains. “Non-revenue water” is water that does not pass through a customer meter. It consists of water used as part of our treatment process, water loss through distribution system leaks, broken fire hydrants, broken water main valves and uses such as emergency fire hydrants for fire protection, use of water main bleeders to remove air and sediments, fire flow testing, water sampling and tank draining for cleaning. We are working diligently to discover and repair leaks in our system. Aquarion spent \$43.7M replacing water mains in 2019, which helps reduce leakage in the distribution system.

Aquarion Water (Millions of Gallons)	2018	2019
<b>Water Withdrawal</b>	<b>30,926</b>	<b>30,860</b>
Surface Water	25,331	25,356
Ground Water	5,595	5,504
<b>Purchased Water</b>	<b>451</b>	<b>389</b>
<b>Water Distribution (includes purchased water)</b>	<b>31,377</b>	<b>31,249</b>
<b>Water Consumed (metered)</b>	<b>25,500</b>	<b>25,273</b>
<b>Non-Revenue Water (distributed – consumed)</b>	<b>5,877</b>	<b>5976</b>

Eversource has been successful in lowering our municipal water use through more efficient facility operations, including facility optimization and installation of water efficiency measures.

Facility Municipal Water Use	2014	2015	2016	2017	2018	2019
<b>(Millions of Gallons)</b>	29.04	26.90	26.40	24.05	21.19	20.92

\*2018 and 2019 Facility Municipal Water Use includes Aquarion CT facilities.



## Waste Management and Pollution Prevention

We are managing and reducing our waste streams through several initiatives, with the prevention of waste as our priority. In 2019, we kept nearly 10,000 tons of metal, wood, equipment and other materials out of the waste stream through this pollution prevention program, thus reducing our waste by more than 29%.

Eversource's Environmental Management System (based on ISO 14001) identifies governing procedures and regulations pertaining to hazardous waste management. Employees responsible for hazardous waste management are HAZWOPER certified.

### Investment Recovery

The Investment Recovery program at Eversource is committed to supporting environmental sustainability through thoughtful management of unused assets. Through our redeployment, return, recycle and resale efforts we prevent materials from needlessly entering the waste stream, in a manner which protects the integrity of both our environment and our financial resources.

Scrap metal recycling continues to be the largest single category within our Investment Recovery program, effectively doubling the volume of recycled metals over a 4-year period. Eversource work centers and project sites across all states have become fully automated in the management of scrap metal pickups, and the associated compensation for this valuable recovery stream. Our new investment recovery software system has allowed for tight controls and better visibility to this growing activity. Additional system upgrades are planned for early 2020, to ensure we continue to efficiently and accurately support increased activity in this program.

Eversource has also put a significant focus on the re-use and return of excess materials from inventory and project sites, to ensure these items are efficiently put to use on our system or placed back into the distribution channel. Vendor return of standard materials is becoming a routine component of our project closing cycle as well as our inventory evaluation process. Moving materials to new project sites or back to our inventory facilities has also allowed us to reposition materials where they will be most quickly utilized.

The Eversource Procurement and Investment Recovery teams have been actively participating in the Electric Utility Industry Sustainable Supply Chain Alliance (EUISSCA) meetings and workshops on a routine basis, oftentimes highlighting the Eversource standards of operation for group review. Donation programs have also been put in place by our IT and Community Relations teams, with retired IT equipment being made available for community donation requests. Supporting our local communities in this manner provides a benefit that is far more valuable than potential proceeds from private sales.

### Recycling

Eversource has a robust recycling program, featuring single-stream collection throughout our service territory. We provide ongoing communication and training to employees on the importance of recycling, including engagement with field crews. We also conduct monthly inspections to identify areas where opportunities exist to enhance recycling performance and track our performance and rate of recycling monthly.

## Reel-Less Cable Program

Since we piloted a reel-less cable solution in 2016, we have been scaling our program and investigating opportunities to expand reel-less cable to other wire and cable types throughout Eversource. In the program, cable is delivered without a wooden reel, and then loaded onto a reusable plastic reel, which conserves natural resources, reduces waste in packaging, and reduces cost.

## Demonstration Pilots

In 2013, Eversource partnered with the Connecticut Department of Energy and Environmental Protection to conduct a solid waste demonstration project that recycles porcelain insulators that have been removed from our system. The project successfully confirmed that porcelain insulators are an acceptable form of aggregate in concrete mixes with no relevant adverse findings or issues. Based on the success of this pilot, in June 2017 DEEP approved the continuation of this program. As of the end of 2019, our practices diverted approximately 4,610 tons of material from landfills.

## Waste Streams

Our largest waste streams include water and solids from spill debris and manholes.

In addition, Aquarion generates Water Treatment Residuals (WTR) as part of its water treatment process. Approximately 11 million gallons of WTR liquids were recycled into the facility or discharged in accordance with regulatory permits.

View previous years' [waste management information](#).

Estimated weight of waste by type and disposal method (Tons) – 2019					
	Recycled	Energy Recovery/ Incineration	Landfill	Other	Total
<b>Municipal</b>	1,572	2,122	837		4,531
<b>Universal</b>	20				20
<b>Non-Hazardous</b>	2,798	201	10,196	2,237	15,432
<b>TSCA (PCB)</b>	63	427	284	158	932
<b>RCRA (Hazardous)</b>	49	40	1,192	1,653	2,934
<b>Total Waste Disposal</b>	4,502	2,790	12,509	4,048	23,849
<b>Waste Avoided (Investment Recovery)</b>	9,940				

## Environmental Compliance

We are committed to conducting our operations in accordance with all applicable environmental laws and regulations, and maintain operational controls, policies, and procedures to meet, and often go beyond, compliance requirements. If an issue is identified, immediate action is taken to address any environmental damage, and root cause investigations are expeditiously conducted to prevent recurrence.

In February 2020, Eversource reached a settlement with the EPA for three polychlorinated biphenyls (PCB) spills that occurred in 2019. All spill clean-up for these sites has been completed, and there is no risk to the public. As a result of these incidents, and prior to the EPA enforcement, we enhanced processes and procedures in response to PCB spills and reinforced appropriate PCB management protocols with employees. In addition, we continue to evaluate and reduce the amount of PCB-filled equipment on our system. We remain committed to environmental stewardship and sustainability, while ensuring the safety of our customers, employees and the communities we serve.

In 2019, Aquarion received a Tier 1 violation due to the detection of E. coli bacteria in a distribution system in Danbury, CT. Immediate action was taken to protect public health and capital work was expedited to mitigate future risk. Eleven monitoring and reporting violations not related to water quality (Tier 3 violations) were also received with the potential for three to be rescinded after review by the CT Department of Public Health. All monitoring and reporting are now up to date. Additionally, we continue to strengthen our internal controls to ensure future deadlines are met.

Compliance	2015	2016	2017	2018	2019
Citations	8	4	3	5	3
Penalties (USD)	\$15,000	\$166,700	\$29,478	\$0	\$138,053
Aquarion Notice of Violations*				20	12

\*All Citations, Penalties and Aquarion Notice of Violations are accurate as of May 29, 2020. All of Aquarion's 2018 violations were Tier 3 for water monitoring that was not completed on time. None of the violations were due to water quality parameter exceedances.

Our environmental policy is available [here](#). Environmental awareness training is provided to all new employees.

## ENVIRONMENTAL STEWARDSHIP

Eversource is committed to environmental stewardship. We value our native resources and take great care to manage our natural and cultural resources in a way that promotes conservation and environmental stewardship. We maintain regular engagement with state and federal regulators to identify areas of concern as well as opportunities for enhanced conservation and stewardship. We value our strategic partnerships with government, non-profit and academic institutions with whom we work to advance our stewardship objectives. Eversource is committed to expanding our environmental stewardship program throughout our service territory. We are also committed to partnering with environmental stakeholder groups aligned with our stewardship goals.

### Promoting Stewardship

Eversource actively promotes environmental stewardship through our Eversource Land Trust and partnerships with many government and non-governmental organizations, including:

- In 2012, the [Eversource Land Trust](#) was formed to permanently protect nearly 1,000 acres of key open spaces owned by Eversource. We work closely with state biologists and resource conservation professionals, and under their guidance, the Trust has completed the enhancement of 26 acres. The goal of this endeavor is to create vibrant early successional habitat within a large block of core forest, supporting species that rely on this critical and declining specific type of habitat throughout New England.

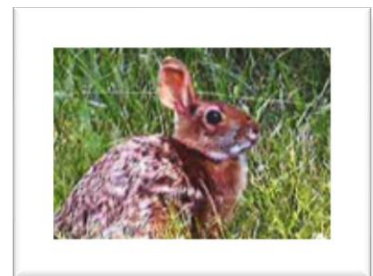
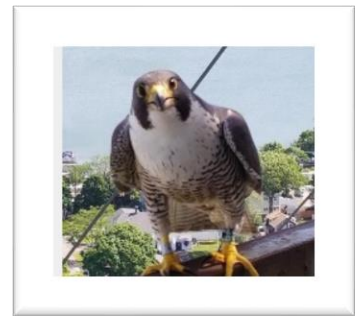
- Eversource has renewed our commitment to partnering with the National Fish and Wildlife Foundation (NFWF) and funding the New England Forest and Rivers Fund through 2020. This program is committed to restoring and sustaining healthy forests and rivers that provide habitat for diverse bird populations, as well as freshwater and diadromous fish populations in New England. Previously, Eversource has also partnered with NFWF on the [Partners for New Hampshire's Fish and Wildlife](#) program. To learn more about these partnerships and details on grants, please visit the [NFWF website](#).
- The Eversource Foundation is supporting [The Discover the Power of Parks Program](#), a collaboration with the New Hampshire Department of Natural & Cultural Resources and the National Student Conservation Association (SCA) that places interpreters throughout the New Hampshire state park system with a focus on the natural resources of the state and conservation. Along with funding and providing resources for the interpretive program, Eversource actively participates by organizing employee volunteer events working side by side with SCA interns to provide stewardship and conservation work in local parks. Trail maintenance, bridge building, and wetland protection have been completed through these Eversource volunteer efforts. In 2019, Eversource volunteers worked with the SCA interns and state park staff at Rye State Park to help remediate invasive plant species in order to promote the growth of local roses. They also worked at Monadnock State Park to clear trails and build benches.
- The Eversource Foundation also provided grants to the Connecticut Forest and Parks Association (CFPA), the Housatonic Valley Association, the Seacoast Science Center and the Connecticut Land Conservation Council to support the important work they do to promote environmental stewardship.
- Eversource continues to work and partner with the [Native Plant Trust](#) to conduct surveys of threatened and rare flora. Many of their targeted species can be found within the limits of the rights-of-way. The goal is to collect seeds for banking if the species continue to decline as the preferred habitats become scarce.
- The Connecticut Bird Atlas Project is a significant three-year undertaking that will be completed in 2020 to map all bird species within the state. Data collected on breeding, migrating and wintering birds will be used to understand current populations in comparison to a study from the early 1980s. Power line corridors provide some of the best early successional habitat for birds, and in some areas the last significant types of this specific critical environment. Eversource is committed to working with the Connecticut Bird Atlas Project and obtaining meaningful results, sharing access and information for the success of the project, and helping wildlife biologists understand current conditions in Connecticut.
- In 2019, Eversource provided a grant to support Connecticut Audubon Society's citizen science partnership Osprey Nation. The goal of Osprey Nation is to create a long-term record of data to provide information on the health of the osprey population to conservationists. Eversource also consults with MA Audubon and NH Audubon to gather feedback and ensure protection of all migratory birds.
- Eversource has worked with the State of Connecticut Department of Energy and Environmental Protection's Wildlife Division to develop and implement Best Management Practices (BMP) aimed at protecting the New England Cottontail in our rights-of-way in Connecticut with identified Cottontail activity and habitat. Although this native species is not listed as rare, threatened or endangered, it is a species of conservation concern and Eversource has championed going above and beyond the regulations to assist in their preservation.

## Preserving Biodiversity

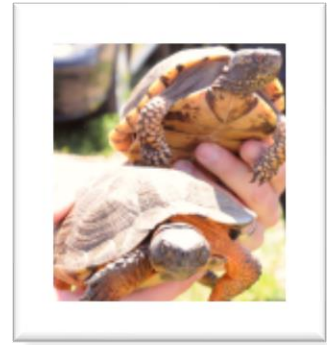
Our construction and maintenance work is planned and executed with the utmost care to minimize and prevent impacts to wetlands, threatened and endangered species and cultural resources. Wetlands are a vital link to the health of waterways and downstream biotic communities, as they improve water quality, retain floodwaters, recharge groundwater, provide fish and wildlife habitat and support recreation activities such as boating and fishing. We manage our lands to preserve – and in many cases to create – wildlife habitats. Maintenance practices within our rights-of-way aim to promote biodiversity and sustainable communities of mammals, reptiles, amphibians, birds, insects and plants. Additionally, formal BMPs are in place for projects where protected species have been identified, to ensure all work is done within established guidelines

Eversource teamed up with the Food Forest Initiative of Cape Cod and the Harwich, Massachusetts, Water Department to plant edible and pollinator shrubs within a powerline easement. The collaboration will create a sustainable landscape comprised of various edible plant species, including, raspberry, blueberry and hazelnut, accessible to the public and compatible for the existing distribution right-of-way.

- **Ospreys:** Eversource follows strict guidelines set forth by the United States Fish and Wildlife Service when it comes to maintaining our system around osprey nests. We do not remove nests that contain an egg or a flightless chick and work around active nests that contain eggs or chicks is minimized until the young have fledged. Once the nests are clear, we remove them from utility poles, as nests pose a risk to the electric system, people and ospreys themselves, as nests have a potential to cause a fire. When appropriate, we partner with the Audubon Society to install platforms for nesting osprey.
- **Peregrine Falcons:** Eversource has assisted the National Heritage Foundation as they tagged four peregrine falcon chicks living on one of our 400-foot-high transmission structures in Weymouth, Massachusetts. Our Eversource team helped the wildlife experts safely climb our structure, provided safety gear and had crews on the scene standing by. Unlike osprey, nesting peregrine falcons don't add nesting material, so they don't impact our equipment. For the wildlife experts, this was an exciting opportunity as they don't often have the chance to tag chicks.
- **New England Cottontail** is the only native rabbit in Connecticut and relies on early successional forests and shrublands for breeding, foraging and cover. The state of Connecticut has identified priority habitat areas for New England Cottontail and, when working in these areas, our project teams and vegetation management crews implement specialized best management practices to retain shrubs and low-growing woody vegetation in critical and focus areas. In addition, when clearing non-compatible vegetation from within the right-of-way we will strategically place piles of cut, woody vegetation that provide shelter for overwintering rabbits.



- **Eastern box turtles** are a state-listed species in our region that tend to prefer the early successional habitat of our rights-of-way in Connecticut and Massachusetts. In Massachusetts, we partner with the Natural Heritage & Endangered Species Program (NHESP) to offer an annual turtle training event open to utilities and vegetation management companies, enabling staff responsible for vegetation management activities within state-listed turtle Priority Habitat to complete required turtle protection training. In Connecticut, the Wildlife Division of DEEP requires both contractor education as well as “turtle sweeps” prior to the commencement of work within turtle habitat. Our Transmission team has also used a canine assistant to locate turtles within the rights-of-way, so we can ensure clear access paths and work areas for vehicles entering turtle habitat.



- **Karner blue butterflies** are a federally-listed endangered species and protected in New Hampshire. Eversource partnered with New Hampshire Fish and Game to promote Karner blue butterfly habitat within our rights-of-way on Fish and Game managed lands in pine-barren habitat in Concord. Using Integrated Vegetation Management techniques, habitat for the butterfly is preserved and enhanced. The right-of-way habitat area is part of a larger study area for promotion of the butterfly by New Hampshire Fish and Game.
- **Shrubland Birds:** Eversource has supported a comprehensive graduate research effort through the University of New Hampshire that studies the habitat and use of transmission right-of-way corridors and other clear-cut areas by shrubland bird species. Forty-one species of birds in New England require shrublands as habitat, and most are experiencing significant population declines. Over the course of two years, the study documented 78 species of birds, 27 of which are considered obligate shrubland nesters. The study collected biometric and vegetation plot data to assess whether there are preferential vegetation management strategies that can be used to optimize this important habitat in transmission right-of-way corridors.
- **Frosted Elfin** is a species of butterfly which is protected in Massachusetts, Connecticut and New Hampshire. It prefers dry, upland habitats dominated by low-growing vegetation that supports communities of its host plants, wild indigo and lupine. Within many of our rights-of-way, we have identified stands of host plants supporting frosted elfin populations. To maintain these communities, our vegetation management crews implement best management practices to avoid impact to the frosted elfin and host plants.
- **Whip-poor-will:** A bird species of Special Concern in Connecticut and Massachusetts. A ground-nesting, nocturnal-feeding bird that favors disturbed sites, Eversource works with State Environmental Departments to identify populations and habitat. Our Vegetation Management team will modify the time of year work is done to avoid disturbing the birds or the nests. The integrated vegetation management techniques executed by Eversource promotes early successional grass and shrub lands which support the Whip-poor-will.

## Responsible Land Management

Eversource owns and manages approximately 40,000 acres of land in Connecticut, Massachusetts and New Hampshire. The majority of these properties are associated with electric or natural gas operations, including transmission line corridors, substations and office buildings, while others are held for future utility uses or inherent conservation value. We value our role as a responsible land steward and dedicate professional resources to maintain the integrity and

long-term viability of the land we manage. We have established formal plans for ensuring the careful management of the land's natural and cultural resources. Our focus is on:

- Maintaining forest health and protecting wildlife habitat.
- Soil preservation, water resource protection and agricultural stewardship.
- Cultural resource management.
- Maintaining public recreational and educational uses.

We develop relationships with federal, state, municipal and private land-use agencies and not-for-profit land, wildlife and conservation groups to collectively coordinate management objectives.

For additional information and to join us in discovering our great outdoors, please visit the Eversource [Land Management website](#).

### **Vegetation Management on our Rights-of-Way**

The goal of our vegetation management activities is to maintain a stable community of shrubs, grasses and other native, low-growing vegetation in the power line rights-of-way we manage. This type of vegetation provides the ideal environment for the safe and reliable operation of our electric system, as well as an increasingly rare habitat for a variety of wildlife which favors this type of growth. Eversource employs an integrated vegetation management approach to control targeted plant species through a combination of manual, mechanical and chemical methods. Please see our [Eversource Rights-of-Way Guidelines](#) and the [Reliability & Resiliency Initiative](#) section of this report for more information.

Vegetation Management is identifying key locations along rights-of-way to foster and install plantings to promote pollinators and pollinator habitat, working with external organizations including environmental organizations and land trust managers to create and maintain these critical habitats.

### **Forest Management**

We manage approximately 11,800 acres of forest land (about 120 properties) in Connecticut, New Hampshire and Massachusetts, which contain beneficial wetlands, vernal pools, water courses, critical habitats and scenic resources. Eversource promotes sound forest management under the direction of licensed professionals, resulting in the sustainable production of timber and forest health.

### **Wildlife Management**

Species and habitats known to be rare or of special concern are accommodated in both our operational activities and in our land management planning. A conservation easement of 25 acres in Massachusetts was established for the preservation of Eastern Box Turtle and Eastern Wormsnake habitat under the purview of the Massachusetts NHESP and Audubon Massachusetts.



We work closely with the Connecticut DEEP Wildlife Division to make 2,500 acres available to the public for regulated hunting activities. We also administer a private land hunting program on another 2,100 acres of land in Connecticut.

## Cultural Resource Management

Cultural resources such as historic structures and archaeological resources, including pre-contact Native American village sites and early post-contact settlement sites, are just a few examples of our amazing cultural heritage in New England. We recognize the importance of these resources and incorporate their management and protection into our operations. New construction projects as well as maintenance work within lands managed by the utility often require formal consultation and cultural resources investigations. We employ a cultural resources specialist and proactively work with the relevant State Historic Preservation Offices, Tribal Historic Preservation Offices and other key stakeholders to identify and protect resources of significance.

## Recreation Opportunities

Many of our company lands are open to the public for passive recreational uses, including hiking, nature study, fishing and cross-country skiing. In response to public interests, Eversource Land Management is formalizing agreements for both a mountain bike trail and rustic camp sites for the Connecticut River Paddler's Trail. The mountain biking trail project will involve a partnership with [New England Mountain Bike Association](#) and the camp sites, located on [King's Island](#) (Eversource Energy Land Trust property) and will partner with the [Connecticut River Conservancy](#). Please visit our [Land Management website](#) to learn more about recreational activities on our lands.

## Supporting Local Agriculture

Our land holdings also include nearly 480 acres that are actively managed for agricultural purposes. Our objectives for these lands are to protect soil and water quality while maintaining long-term agricultural productivity.

We encourage local farm initiatives and currently license property to members of [The Farmer's Cow](#) in Brooklyn, Connecticut, and to Graystone Farm, an organic farm in New Milford, Connecticut. We license these properties to interested farmers and work with the farmer, in addition to state and federal agricultural agencies, to identify best management practices that include crop selection and [soil conservation](#).





## OUR BUSINESS

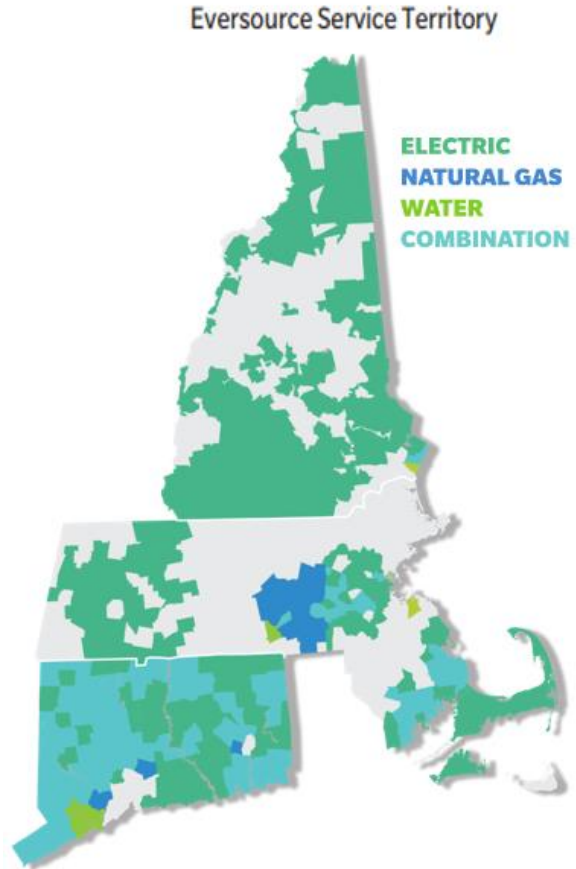
Sustainability is embedded into all that we do, and how we personally contribute to the vitality of our communities and grow our business in a responsible manner.

# OUR BUSINESS

## About Our Company

[Eversource](#), a Fortune 500 and Standard & Poor's 500 energy company, operates New England's largest energy delivery system. Eversource is committed to safety, reliability, environmental leadership and stewardship, and expanding energy options for our 4 million electric, natural gas and water customers.

Company Profile	As of 2019 Year End
Employees	8,234
Customers (Electric)	3,223,951
Customers (Gas)	539,860
Customers (Water)	228,523
Communities Served (Electric)	499
Communities Served (Gas)	123
Communities Served (Water)	60
Service Territory (Electric)	13,230 sq. miles
Service Territory (Gas)	3,254 sq. miles
Miles of Natural Gas Pipeline	6,747 miles
Transmission Lines	4,369 cable miles
Distribution Lines	58,332 circuit miles
Transmission and Distribution Water Mains	3,639 miles
Liquefied Natural Gas Plants	3 facilities



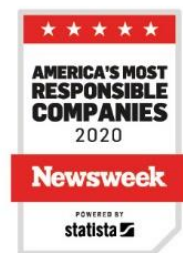
Generation Facts as of 2019 Year End*		
Type of Plant	Number of Units	Claimed Capability (KW)
Solar*	22	70,000

\*Solar claimed capability represents the direct current nameplate capacity of the plants.

## 2019 Awards and Recognition

The national awards and honors we received this year are a testament to our employees' hard work and our commitment to excellence.

- JUST Capital and Forbes magazine's Most JUST Companies list – #1 utility company.
- Newsweek magazine's Most Responsible Companies list – #1 Energy & Utilities.
- Rated by institutional investors as one of the top two US utilities in multiple categories related to executive leadership, sustainability, governance and investor relations.
- One of only four energy companies on the Barron's 100 Most Sustainable Companies list, based on an evaluation of more than 230 performance indicators that address environmental, social and corporate governance issues.
- American Council for an Energy-Efficient Economy – Massachusetts ranked first on the organization's energy efficiency scorecard for the ninth straight year.
- ENERGY STAR Partner of the Year Sustained Excellence Award in all three states for our energy efficiency programs.
- One of only 15 companies selected nationwide for the 2019 Secretary of Defense Employer Support Freedom Award, the military's highest employer honor, which recognizes companies' support for employees on military duty.
- Earned the Edison Electric Institute's Emergency Recovery Award, recognizing our response to the July 2019 Cape Cod tornadoes.
- Named to the 2020 Bloomberg Gender-Equality Index (GEI), which distinguishes firms worldwide for their commitment to transparency in gender reporting and advancing women's equality in the workplace.
- Named one of the 100 Best Corporate Citizens in the United States in 2020 by 3BL Media, recognizing leading environmental, social and governance transparency and performance.
- Aquarion recently won Website of the Year in the Public Sector for excellence in user experience and innovation.



## Corporate Governance

Ensuring that we operate and act each day with transparency, honesty and integrity, accountability to all stakeholders, and responsibility, is something that starts at the top with our Board of Trustees.

We believe that boardroom diversity leads to a better quality of decision-making. Our experienced and diverse governance leaders have the ability to tackle an issue from a variety of perspectives.

Our Board ensures that the company has a clear and acceptable purpose, strategic and operational direction, and that the business of the company is managed effectively, taking into consideration economic circumstances along with regulatory and legal requirements. The Corporate Governance section of our website contains the various policies, charters, guidelines and information relating to our Board of Trustees, including our [Corporate Governance Guidelines](#), the [Charters of each of the Board of Trustees' Committees](#), and biographical information on our [Board Members](#). These documents, together with those described in the following section on Compliance, provide the framework for the governance and compliance culture of our company, with the goal of enhancing long-term value for shareholders while also fulfilling customer, commercial, community and public service needs and obligations.

We maintain effective corporate governance standards through our Corporate Governance Guidelines and other programs and policies, which include the following:

- All trustees are elected annually and by a majority vote of the common shares issued and outstanding.
- Ten of our 11 Trustees are independent, as are all Audit, Compensation, Corporate Governance, and Finance Committee members.
- We adopted a “3/3/20/20” shareholder proxy access provision in 2018.
- Shareholders have the right to call a special meeting upon the request of holders of 10 percent of the Company's outstanding shares.
- We maintain an effective enterprise risk oversight function, with substantial focus on cyber and system security, through our Audit and Finance Committees.
- We require that Trustees retire at age 75.
- We have a Lead Trustee and hold at least three independent trustee meetings every year.
- We have an ongoing shareholder engagement program.
- Our executive compensation policies include share ownership and holding guidelines, a clawback policy that includes clawback of incentive compensation in the event of inappropriate personal behavior or treatment of co-workers, and double trigger change in control vesting provisions. Additionally, we increased the percentage of performance shares in our 2021 long-term incentive program to 75 percent.
- We do not provide gross-up payments in new or materially amended executive compensation agreements, prohibit any types of hedging, pledging or similar transactions by officers or trustees, and do not pay dividends on equity awards before vesting.

We also have a strong commitment to diversity at both the Board and employee level, which contributes greatly to the success of our Company. Our 11-person Board of Trustees is comprised of three women, two of whom are African American, an African American male, and an Asian American male. This puts us in the top tier of the Boards of the companies that comprise the Edison Electric Institute, the electric industry's most prominent industry trade group.

Further information can be found in our [Proxy Statement](#).

## Ensuring Compliance

Doing what's right – ethically, fairly and honestly – is the cornerstone of our corporate governance and corporate compliance culture. In that respect, all of Eversource's trustees, officers, and employees must abide by the principals of Eversource's [Code of Business Conduct](#). Additionally, the Board of Trustees (the "Board") has adopted a [Code of Ethics for Senior Financial Officers](#), a [Related Party Transactions Policy](#) and a [Political Activity Policy](#). The company also has a Conflict of Interest Policy, Insider Trading Policy and [Financial Disclosure Policy](#) in place. These policies collectively address day-to-day activities and reflect our commitment to conduct ourselves ethically, respectfully and honestly.

All officers and employees receive communication on the Code of Business Conduct and corporate policies, such as Conflict of Interest, Fraud Prevention and Detection, Prevention of Discriminatory Harassment, and Fitness for Work, which together outline the need to demonstrate inclusive, respectful, honest and ethical behavior as they perform job-related tasks and interact with each other, customers and the public. Throughout employees' careers, training is provided to ensure ongoing awareness and understanding of the Code of Business Conduct and company policies and procedures.

Eversource also maintains a Corporate Compliance Hotline that is available to anyone as a simple way to report known or suspected compliance and/or ethics violations on an anonymous basis. The hotline, which can be accessed by phone or via a secure website, is operated and administered by an outside vendor (NAVEX Global) and available 24 hours a day, seven days a week. Eversource's hotline is intended to complement in-person, phone or email reporting to managers, supervisors, the Corporate Compliance Officer or Human Resources.

Eversource's Compliance and Ethics Committee, which is chaired by the Chief Compliance Officer, provides guidance and assistance to management to ensure adherence to applicable laws, regulations, industry standards, and the Code of Business Conduct by the company and our employees. The Committee provides oversight for the development and implementation of the Eversource Corporate Compliance Program; reviews key compliance topics and issues that could materially impact Eversource; interfaces with the Legal, Internal Audit, Human Resources and Enterprise Risk Management Departments; and Enterprise-level compliance committees to thoroughly monitor and assess, and ensures the effective mitigation of compliance risks, and periodically reports to the Audit Committee of the Eversource Board of Trustees to assist it in fulfilling its compliance oversight responsibilities.

## Ethics and Risk Management

The Board of Trustees, both as a whole and through its committees, is responsible for the oversight of the company's risk management processes and programs. Our Enterprise Risk Management (ERM) program applies a well-defined enterprise-wide methodology to allow our Risk Committee, comprised of senior officers, to identify, categorize, prioritize, and mitigate the principal risks to the company. The ERM program is integrated with other assurance functions throughout the company, including Compliance, Auditing, and Insurance, and has high management visibility.

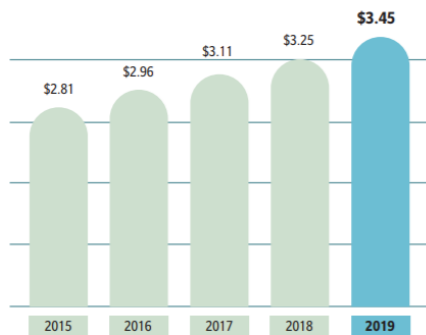
In addition to known risks, ERM identifies emerging risks to the company through participation in industry groups, discussions with management and in consultation with outside advisers. Our management then analyzes risks to determine materiality, likelihood and impact, and develops mitigation strategies. Management broadly considers our business model, the utility industry, the global economy, climate change, sustainability and the current political and economic environment to identify risks. The findings of this process are discussed with the Finance Committee and the full Board, including reporting on an individual risk-by-risk basis on how these issues are being measured and managed.

In addition to the regularly scheduled reports by ERM of all the Company's enterprise-wide risks and the results of the ERM program, management reports periodically to both the Board of Trustees and the Finance Committee in depth on specific top enterprise risks at the Company. ERM also reports regularly to the Finance Committee on the activities of the Company's Risk Committee. The Company's Risk Committee consists of senior officers of the Company and is responsible for ensuring that the Company is managing our principal enterprise-wide risks, as well as other key risk areas such as operations, environmental sustainability, information technology, compliance and business continuity.

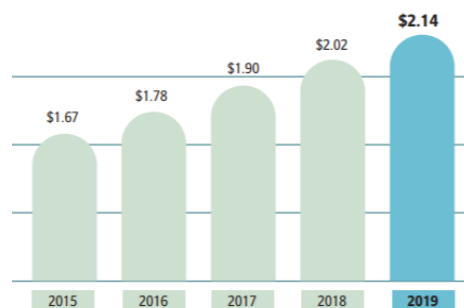
Risks identified during the ERM process have formal, actionable, measurable mitigation plans, are monitored on a regular basis, and are reported to the Risk Committee and Executive management quarterly and semi-annually, respectively. Risks are also periodically discussed with the Board Committees or the full Board of Trustees, as appropriate, including reporting on how these issues are being measured and managed. Additionally, a comprehensive annual report on ERM is made to the Finance Committee, which is also provided to, and reported on, to the full Board. Major risks are also disclosed in our annual report and 10-K.

## Financial Performance

### Diluted Earnings Per Share <sup>(1)</sup>



### Dividends Per Share



<sup>(1)</sup> Diluted Earnings per Share (Non-GAAP) for 2019 was adjusted to exclude an after-tax impairment charge of \$0.64 related to the Northern Pass Transmission Project. 2015 Diluted Earnings per Share was adjusted to exclude integration and merger-related costs of \$0.05.

2019 was Eversource Energy's best year in our history. We posted strong operational and financial performance and excellent returns for investors, while embracing and defining our growing role as a catalyst for clean energy.

We reported recurring earnings per share of \$3.45, an increase of 6.2 percent from 2018 excluding a one-time impairment charge of \$0.64 per share related to our decision to cancel our Northern Pass Transmission project. While we felt Northern

Pass offered clear economic and environmental benefits to customers, resistance to siting of the project in New Hampshire proved insurmountable.

We continue to project long-term EPS growth of 5 percent to 7 percent, accompanied by similar dividend growth. In 2019, we raised the common dividend to \$2.14 per share on an annualized basis from \$2.02, and in February 2020, we announced a 6.1 percent increase to \$2.27 per share.

Our ability to shape our region's energy future is based on a bedrock of strong financial performance. We had a total return for shareholders of 34.4 percent in 2019, compared with 25.8 percent for the EEI index and 31.5 percent for the S&P 500. This continues a trend of outperforming our peers on a short-, medium-, and long-term basis.

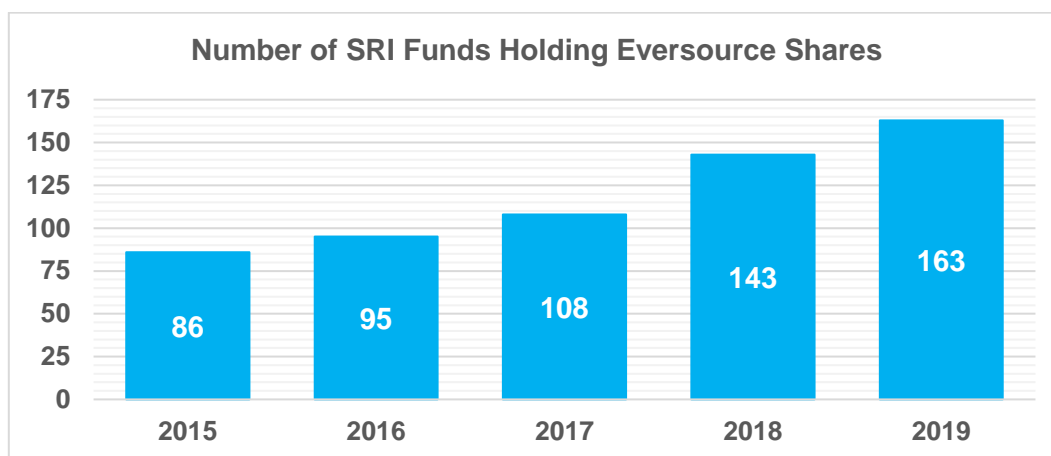
### Our Total Return to Shareholders

	2019	3-Year	5-Year	10-Year
<b>Eversource</b>	<b>34.4%</b>	<b>68.7%</b>	<b>85.8%</b>	<b>356.7%</b>
EEI 40-Company Index	25.8%	45.7%	64.4%	214.0%
S&P 500	31.5%	53.2%	73.9%	256.7%

We successfully completed our first issuance of “green bonds” in May 2019, issuing \$400 million, 3.25% debentures to support low-carbon clean energy initiatives. More recently, in March 2020, we completed a second green bond issuance consisting of \$400 million, 3.95% debentures to fund energy efficiency expenditures.

We have also been a leader within our trade groups, the Edison Electric Institute and the American Gas Association, in developing and adopting standardized ESG disclosures for the industry. Eversource was one of the first companies to post such disclosures for both our electric and gas operations; they can be found on our website at [ESG Initiatives](#).

Additionally, Eversource has actively sought investment from socially responsible investment (SRI) funds for the past several years. As of the end of 2019, Eversource shares were held by 163 funds based in North America or Europe that are either dedicated socially responsible funds or part of a family of funds that screen stocks for ESG attributes before certifying them for investment. Many of those funds exclude a number of U.S. electric utilities from their portfolios, particularly if coal represents a significant source of generation. We consider our sustainability profile to be a competitive advantage in attracting equity capital. The number of SRI funds with Eversource shares in their portfolios as of the end of each noted year is highlighted below.



Historical and detailed financial information is available in Eversource's [Annual Reports](#).

## Sustainable Supply Chain

Eversource is committed to sustainability in our supply chain and recognizes the importance of ethical behavior in both business relationships and in the workplace. To clearly set out our expectations for suppliers, Eversource requires all vendors to adhere to our [Supplier Code of Business Conduct](#).

We actively support industry-wide expansion of supply chain sustainability through participation in the [Electric Utility Industry Sustainable Supply Chain Alliance](#) (“EUISSCA”). EUISSCA is a collaboration of utilities working together to advance sustainability best practices in utility supply chain activities and supplier networks. Focusing on non-fuel suppliers, EUISSCA’s goal is to work with industry suppliers and other interested parties to improve environmental performance and advance sustainable business.

### COVID-19 Management

Eversource responded immediately to the pandemic by activating our Emergency Response Planning process, with daily calls and a structured approach to managing and controlling the outbreak. Our Procurement and Materials Management teams worked tirelessly to secure all necessary personal protective equipment (PPE), which included items such as face masks, nitrile/latex gloves, face shields, hand sanitizer, hand wash stations, anti-bacterial soap, thermometers and temperature scanners. Eversource has secured significant inventory of these items to ensure the safety of all employees, contractors and the public for the foreseeable future.

### Supplier Sustainability Program

Our supply chain sustainability program is focused on sharing our commitment to sustainability with our vendors. From training sessions with our Procurement Agents to targeted meetings with suppliers, we seek to identify opportunities that will further embed sustainability into our supply chain.

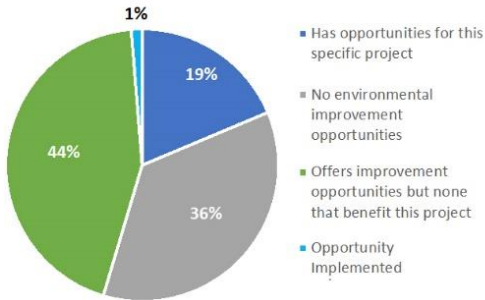
During our procurement process, vendors are required to respond to a series of sustainability questions that score their ESG efforts. Scores for all awarded vendors are tracked on an ongoing basis to monitor progress and ensure supplier compliance with laws and regulations. The program seeks to:

- Understand supplier sustainability efforts.
- Communicate our commitment to sustainability.
- Screen to differentiate supplier choice if all else is equal.
- Establish a baseline of supplier sustainability performance.
- Enable future trending.
- Encourage conversations on sustainability opportunities in our supply chain.

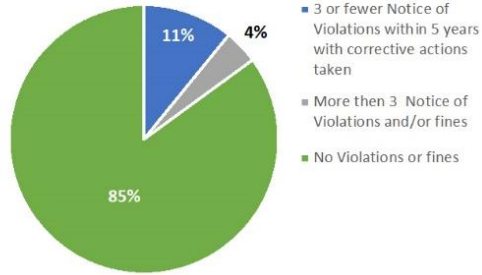


## 2019 RFP Questions and Baseline 2018 Performance from Key Suppliers

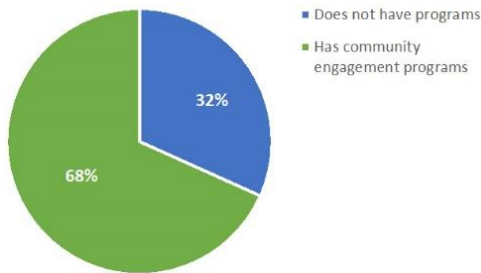
Does the supplier offer customers environmental improvement opportunities



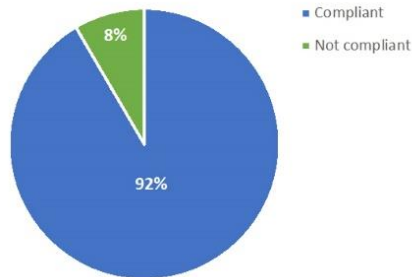
Has this supplier been cited for non-compliance of an environmental and/or labor issue in the last 5 years?



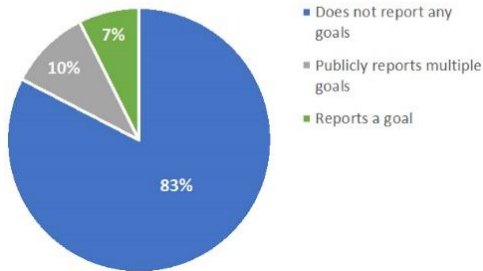
Does this supplier have any community engagement programs?



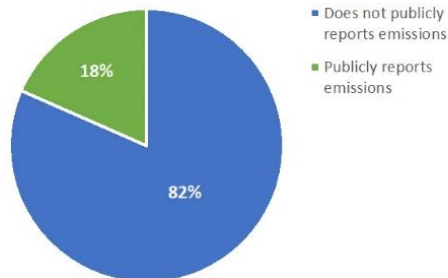
Is this supplier compliant with the Diversity & Inclusion language in the Supplier Code of Business Conduct 2017?



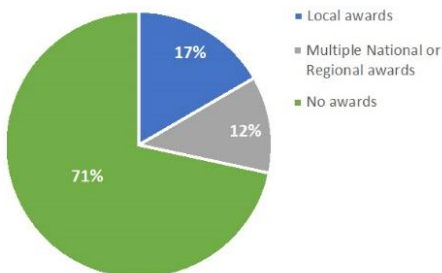
Does this supplier publicly report voluntary goals to reduce energy consumption, emissions, waste or water in your operations?



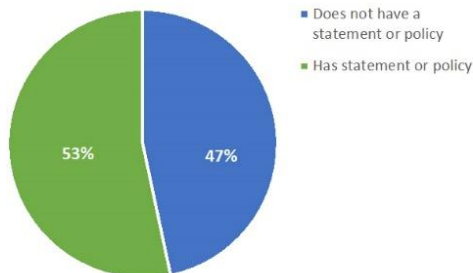
Does this supplier publicly report greenhouse gas emissions?



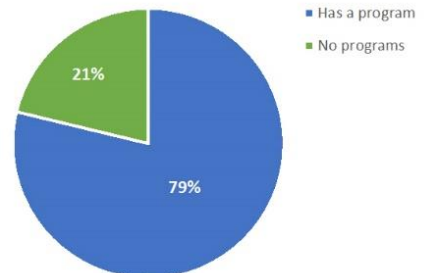
Has this supplier received any sustainability awards and/or recognition?



Does this supplier have a current statement or policy related to sustainability and/or reducing environmental impact?



Does this supplier have any workforce development programs?



## Environmental Management of Suppliers

We expect our suppliers to comply with applicable environmental laws and regulations and to operate in an environmentally responsible manner. Suppliers engaged in environmental work are monitored by experienced internal Environmental Coordinators (ECs) and Environmental Specialists to ensure projects meet contractual and regulatory obligations. Environmental staff also provide performance and spending feedback to vendors and company management, maintain compliance records, and interface with regulatory and community stakeholders.

Eversource utilizes environmental vendors to pick up, transport, and dispose of regulated wastes from company facilities. The vendors also provide 24/7 emergency response support to releases of oil and hazardous materials from company equipment. Eversource contracts with environmental emergency response vendors based on geographic proximity to spill sites to reduce vendor travel mileage, reduce vehicle emissions, and facilitate faster responses to minimize environmental impacts.

We engage environmental permitting vendors to identify and implement environmentally conscious construction methods in coordination with trade vendors. Trade vendors are required to comply with environmental best management practices and receive project-specific environmental training regarding wetlands, endangered species and cultural resources. Professional services vendors are selected on a "most qualified" basis and include engineers, geologists, hydrologists, chemists, toxicologists, environmental scientists and licensed environmental professionals.

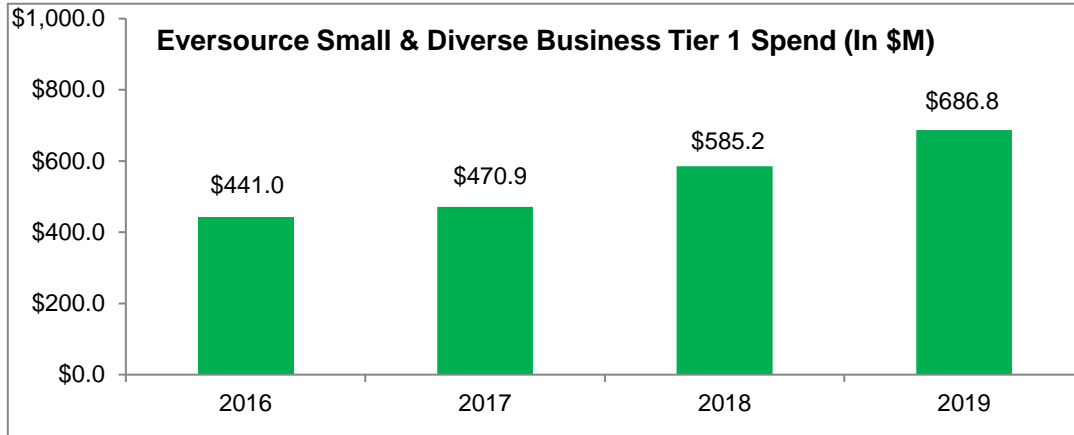
Through internal audits we ensure that vendors are in compliance with federal and state hazardous waste management rules applicable to cleanups, waste transport and waste disposal.

## Commitment to Supplier Diversity

Eversource provides all suppliers with equal access to procurement opportunities, promoting supplier participation reflective of the diverse business community. Together with our diverse suppliers, we are expanding business opportunities, advancing suppliers' visibility and growth goals, and creating valued business relationships.

We are committed to the active inclusion of diverse businesses in our supply base, including: Small Disadvantaged Business, Woman Owned Small Business, Veteran Owned Small Business, Service-Disabled Veteran Owned Small Business, Hub Zone Certified Small Business, Minority Owned Business Enterprise, Woman Owned Business Enterprise, Veteran Owned Business Enterprise, Disadvantaged Business Enterprise, Disabled Owned Business Enterprise, and LGBTQ Owned Business Enterprise.

Eversource continues our upward climb of spend with Small & Diverse Businesses and in 2019, spent \$686.8 million with Small & Diverse Businesses.



Eversource actively participates in the direction of Supplier Diversity in the New England region by supporting multiple third-party advocacy organizations. Eversource supports the Greater New England Minority Supplier Development Council (GNEMSDC) as a Gold Sponsor, and as a member of the GNEMSDC Board of Directors. Eversource is a corporate member of the Center for Women’s Excellence (CWE), which is the Women Owned Business Enterprise National Council’s (WBENC) Regional Affiliate. In 2019, Eversource became a sponsor of the National Gay & Lesbian Chamber of Commerce (NGLCC) and Disability IN third-party advocacy organizations

### Supplier Relationship Management Program

Eversource is committed to working collaboratively with our strategic suppliers to drive value, reduce risk, and strengthen our competitive position through regular performance management meetings with our top vendors. We have formalized our Supplier Relationship Management (SRM) activities into a formal SRM Program with a subset of our critical suppliers.

Eversource’s SRM Program includes:

- Templated scorecards, including standardized Key Performance Indicator (KPI) scoring methodology and consistent Safety, Diversity, and Sustainability KPIs across all supplier scorecards.
- Quarterly Performance & Development review meetings facilitated by a Procurement Agent with business partners and suppliers.
- Incorporating new Annual Review & Strategic Planning meetings facilitated by a Procurement Agent with Eversource and supplier senior-level management.
- Vendor Risk Profile comprised of Spend, IT Security, Physical Security, and Safety incorporated into the Vendor Review Calendar.

As our SRM Program develops, we will continue to improve and expand the program to partner with additional suppliers and further incorporate Vendor Risk into our Supplier Scorecards.

At Eversource, we're always working to serve our customers better, delivering new customer service solutions and enhancing the ways our customers interact with us to make doing business quick and easy.



SERVING OUR  
CUSTOMERS

# SERVING OUR CUSTOMERS

## Customer Experience

At Eversource, we're always working to serve our customers better, delivering new customer service solutions and enhancing the ways our customers interact with us to make doing business quick and easy.

### 2019 Customer-Focused Highlights:

- In response to customer feedback, which indicated a preference for information on natural gas safety, we launched a multi-channel educational campaign – Smell. Leave. Tell. – to help customers recognize the signs of a natural gas leak, act fast, and be prepared for an emergency. Through digital ads, billboards, bus shelters, service vehicles and updated content on Eversource.com, we provided important information in an infographic style to make it easy for customers to quickly process and remember.
- Our redesigned Account Overview page at Eversource.com enables customers to quickly and easily see key account information or perform transactions, like paying a bill, immediately upon log in.
- Developed by our Voice of the Customer team to streamline customer survey data and provide actionable insight, our award-winning Customer Experience Dashboard is one of Eversource's newest cloud-based analytics tools. As customer survey results are received, data is presented visually in the dashboard, making it easily understandable to employees across the company.
- In addition to our automated outage alerts, new twice-a-day customer communications during storms and extended restorations is helping to ensure customers experiencing a power outage are kept up to date with the information they need through text messages, calls and email messages.
- In June 2019, we began a regular, monthly cadence of customer emails on a variety of topics, including ways to save, storm preparedness, our signature community events, and more. Email is a preferred method of communication and an important customer touchpoint.
- We increased our contact center staffing of Spanish-speaking representatives and implemented changes to the interactive voice response and call-taking system to enable our Spanish-speaking customers to connect directly with those CSRs. Helping our customers do business in their language of choice improves the overall customer experience.

### New Opportunities

- Enhancements to our Start Service process will soon provide residential and commercial electric customers with a series of welcome emails outlining how they can set up an online account, save money and energy, choose from many convenient payment options, and how they can prepare for an outage.
- We will continue to build customer awareness of our 'Ways to Save' offerings through a multi-channel campaign and by partnering with local communities and government agencies. Further, we are developing a strategic plan to improve personalized communications after a 'Ways to Save' action is taken and optimizing 'Ways to Save' content and functionality on Eversource.com.
- Approximately 66 percent of Eversource customers receive paper bills each month. Enhancing our printed Customer Update bill newsletter with more space and a fresh design, as well as increasing the frequency, is a new opportunity to

provide timely and relevant information to our customers.

- To better serve our Spanish-speaking customers, key content pages at Eversource.com will become available in Spanish, and later this year, we will launch a Spanish-language version of our mobile app.
- Over 70% of our customers start their service by moving from one part of our service territory to another; a new capability will be added to Eversource.com allowing our customers to easily transfer their service later this year.

For more information on the many ways in which we are investing in energy efficiency tools and programs for our customers, please visit the [Energy Efficiency section](#) of this report.

## Protection of Customer Information

Eversource understands the importance of protecting our customers' personal information. We maintain a comprehensive program to help ensure delivery of services and to protect against the loss, misuse and alteration of customer data.

Safeguards used to protect this data include:

- Comprehensive information security policies and procedures.
- Risk assessments to identify and address new and changing risks to protect systems and sensitive data.
- Implementation of security solutions and standards based on industry best practices to prevent unauthorized access.
- Penetration tests including Red Team assessments.
- Reviewing all safeguards on a regular basis.
- Training employees in the proper handling of personal information.
- Testing of incident response plans.
- Threat information sharing with the U.S. Government and industry organizations.

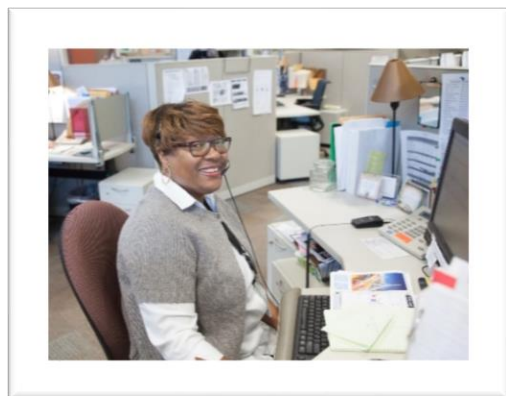
Further information on data we collect, how we safeguard customer information, and how customers can protect their information can be found in our [Privacy Policy](#) published on Eversource.com.

## Financial Assistance

We created a special hotline and a support team to help small business owners apply for assistance through the federal government's Coronavirus Aid, Relief, and Economic Security (CARES) Act.

### We're There When Our Customers Need Us

We offer year-round financial assistance programs, services, payment plans and partnerships to help customers manage their energy costs. To decrease any financial hardship our customers are experiencing as a result of COVID-19, we are offering customers financial assistance programs and flexible payment plans\* and if necessary, offer interpreter services.



## Programs to Help Our Customers

- **Payment Plans\***

All year round, we work with customers who are struggling to pay their bill by creating a reasonable payment plan that is tailored to their needs. In this pandemic state of emergency in all three states, we're offering flexible payment plans to help our customers eliminate their past due balance over a period of time. No upfront payment is required, and no fees or interest will be charged. Once enrolled, service will not be shut off for the duration of the plan as long as customers make their payments.

- **New Start**

Our New Start payment assistance program can help residential income-eligible electric customers in Connecticut and electric and gas customers in Massachusetts to pay their past-due balance. With every on-time monthly utility bill payment, one-twelfth of the customer's past-due balance is eliminated. In 2019, almost 53,000 customers were enrolled in the program and approximately \$25.3 million dollars in customer debt was eliminated. Approximately 80% of New Start participants made at least one budget payment during their enrollment in the program.

- **Discount Rate**

For qualifying customers in New Hampshire and Massachusetts, rate discounts are available to reduce their cost per kilowatt-hour for electricity or therms for gas.

- **Matching Payment Program**

A Matching Payment Program is available to residential income-eligible gas-heating and electric customers in Connecticut. Eversource will match every payment once customers are approved for and receive federal energy assistance funds through their local community action agency. Customers receive a matching payment for energy assistance and all on-time monthly payments made to their account, down to a zero balance.

- **Protection from Service Disconnection\***

The Winter Protection Plan protects eligible customers from utility service disconnection for non-payment from November 1 to May 1, in Connecticut, and from November 15 to March 15, in Massachusetts. Eligible New Hampshire customers are protected from utility service disconnection from November 15 to March 31, if at least 10% of the balance is paid. The Medical Protection Plan provides qualified customers with service protection during a serious or life-threatening illness.

- **Assistance for Customers with a Medical Condition or Disability**

Eversource notifies customers who have informed the company they depend on electricity for life-support equipment, prior to planned power outages, and when there is a potential for weather-related outages due to major storms. Eversource offers a specialized TTY teletype and contact number for hearing-impaired and deaf customers

- **COVID-19 Response**

In March 2020, at the start of the pandemic, Eversource postponed service disconnections for nonpayment. During this challenging time, customers with a past-due balance on their accounts are not receiving service disconnection notices.\* We also suspended late payment charges for all residential and commercial customers. This report was drafted in June 2020.

\*Please visit [Eversource.com](http://Eversource.com) for updated information on these items.

## Customer Outreach and Education

We continue working together with local community action agencies to determine our customers' eligibility for federal energy assistance funding and the Eversource payment assistance program that best suits their needs. Customers are encouraged to call 2-1-1, our constant partners, to find their local community action agency and apply for Eversource-sponsored programs. We keep our customers informed about these programs through monthly bill inserts, transit and digital media.

Eversource has longstanding partnerships with Operation Fuel in Connecticut, Salvation Army's Good Neighbor Energy Fund in Massachusetts and Neighbor Helping Neighbor in New Hampshire. In 2019, Eversource donated more than \$265,000 to these programs, with an additional \$843,494 from customers through our Add-A-Dollar program and other contributions. Eversource was also the presenting sponsor for our Operation Fuel's "Ice House" event that helped to raise awareness about customers who can't afford to pay their heating bill and to promote the Add-A-Dollar program.

## Reliability & Resiliency Initiatives

Our core utility operations performed very well in 2019. We continue to deliver top-decile electric reliability, reducing the frequency and length of electric outages. We are consistently working to improve customer experience, with new offerings like a mobile app, expanded outage-related communications, and upgrades to the process to start, stop, or transfer service. Our safety record remained strong, with performance in the top tier of the industry. Aquarion, our water delivery company, continues to deliver very good service and solid financial performance, justifying our decision to enter the water business.

**Eversource is making network and equipment investments to improve system resiliency, including vegetation management, and strengthening poles and wires.**

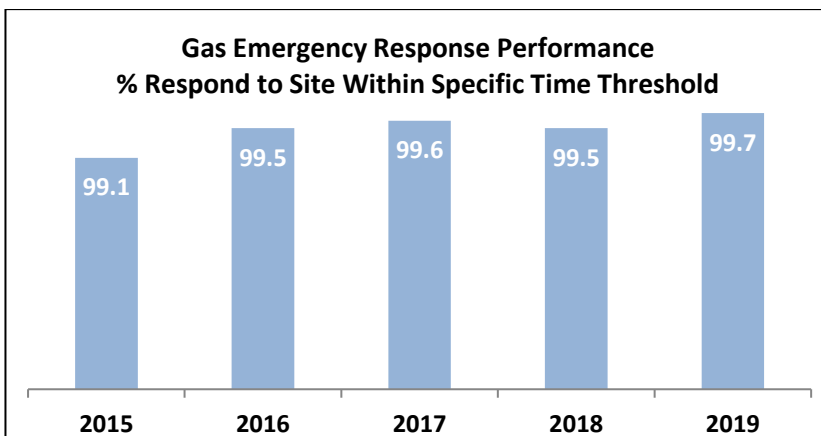
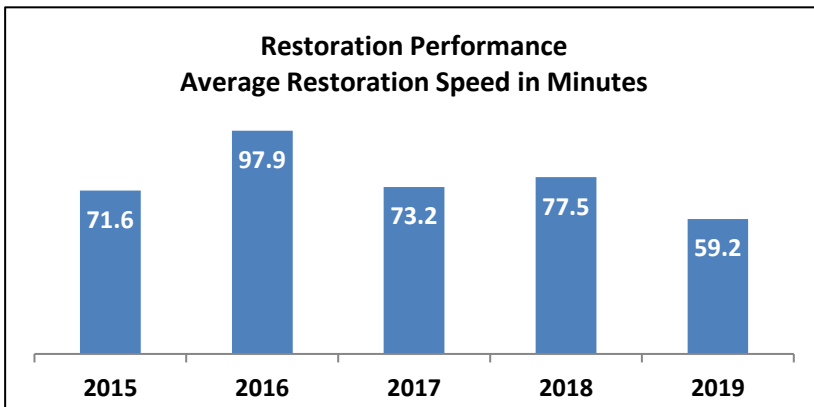
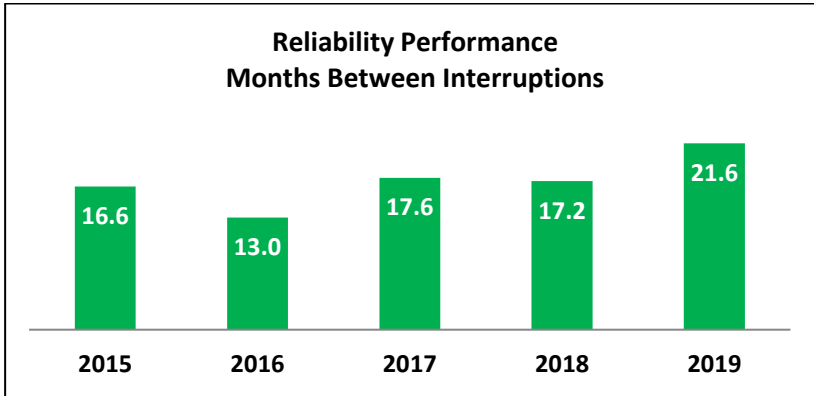
On the natural gas side, the rate of pipeline replacements is increasing and will continue to increase over the next several years, thereby improving system safety and environmental performance. We also continued to support the reliability of the regional electric system with enhanced vegetation management and resiliency work, and with the completion of regional transmission projects, such as the Merrimack Valley project in New Hampshire.

As many customers noted during impactful events from summer tornadoes on Cape Cod to wind storms in the fall, our investments in enhanced vegetation management and automating our system are paying off. Many customers were complimentary of restoration times, the work of our crews, and our communications infrastructure, which provided accurate updates of our progress that allowed them to plan and prepare. We continue to focus on projects designed to increase the capability and dependability of our system. Learn more on our website at ["Reliable Energy For Every Moment of Your Life"](#).



## Reliability Performance

To ensure that we are responding proactively to our customers' needs for reliable energy, we establish challenging targets at the start of each year and track specific monthly operating performance measures. Each month, operating performance results are communicated to employees.



Historical reliability targets and performance results are available [in our appendix](#).

Examples of some of our key initiatives follow, and further information about planned projects to improve reliability are available on our [website](#).

## Eversource Energy Center

The [Eversource Energy Center](#) at the University of Connecticut (UConn) is an innovative energy company and university partnership. Our state-of-the-art research, technology and software are solving real-world challenges for our customers where weather, climate and clean energy intersect.

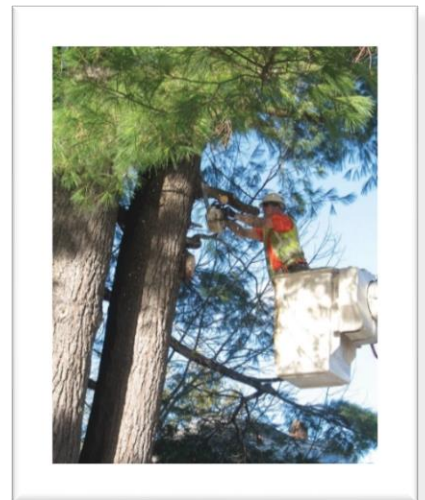
The Eversource Energy Center is establishing strategic partnerships nationally in the areas of grid resilience, security and modernization. With the Electric Power Research Institute, we are developing a collaboration on storm damage recovery and situational awareness. With the Gas Technology Institute, we are formulating research topics on remote sensing–based monitoring of natural gas and electrical infrastructure, electrical power line systems safety and automated detection algorithms, and post-event evaluations of natural force threats. Within UConn, we work with the Connecticut Institute for Resilience and Climate Adaptation to address the “Sustainability and Resilience” theme of the university’s academic plan. The Center is developing new wind and wave modelling methods to support offshore wind projects.

Our Center's breakthroughs in science and technology, combined with our field operations and engineering expertise, are delivering significant benefits for our customers and region with greater reliability and superior customer service.

- Weather-induced blackouts on U.S. distribution grids have cost over \$1 trillion in damage since the 1980s, with weather events like Storm Irene (2011) and Hurricane Sandy (2012) highlighting the need for improved disaster preparedness, response, and mitigation strategies. The [Outage Prediction Model](#) developed by the Eversource Energy Center uses geographical data, data on attributes of the electrical system and especially, numerical weather prediction information to predict the impact of storms many days before they happen.
- [Stormwise](#) is an innovative and multifaceted forest management and public education initiative that aims to reduce the risk of power outages and other damage caused by wind-related tree failure, especially along wooded roadsides and electricity distribution lines. Stormwise provides management strategies to create storm-resistant roadside woodlands that maintain the functions and beauty of forest ecosystems, while reducing or at least shortening, tree-related outages and extending intervals between trimming or management treatments.
- The goal of the flood vulnerability project is to develop a real-time early warning system that integrates existing meteorological, hydrological, and hydraulic models to estimate potential flood damage and risk posed by incoming storms to Eversource substations in Connecticut and Massachusetts.
- New innovative techniques to predict wind conditions for better forecasting of clean energy produced by offshore wind projects in Connecticut and Rhode Island.

## Vegetation Management

Eversource's [Vegetation Management](#) program balances the needs of customers and communities, with the goal of providing safe, reliable electric service while monitoring growth of trees around power lines. [Tree work](#) and removal activities reduce both the number and duration of outages and are the most effective means of improving service reliability. Tree work also benefits the communities we serve by removing dead or diseased branches and trees that not only threaten power lines and rights of way, but also public roads. Tree



trimming is done in accordance with the standards of the International Society of Arboriculture (ISA) and the American National Standards Institute (ANSI).

We have constructed three utility arboreta that serve as educational landscape demonstrations where the “Right Tree in the Right Place” is shown in a natural setting. Sites at the Urban Forestry Center in Portsmouth, New Hampshire, our facility at Legends Drive in Hooksett, New Hampshire and in partnership with the University of Massachusetts at the Agricultural Learning Center at the UMass Amherst campus illustrate proper vegetation to plant underneath, near, and further away from power lines to help prevent tree-related power outages. Trees are planted adjacent to and underneath our distribution lines for the benefit of tree wardens, urban planners, landscape architects, green industry professionals, garden clubs, regulatory staff, municipal and state officials and students. Each arboretum is open to the public year-round to display the growth of each species and characteristics such as flowers, fruiting, and fall color.

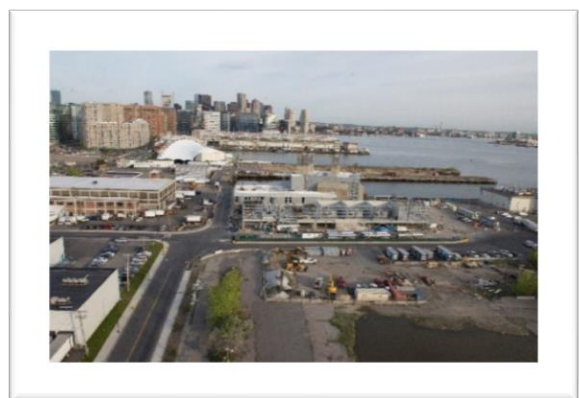
In 2020, an Arboretum is being built at the Eversource office property in Berlin, Connecticut. De-energized overhead wires with different configurations were built opposite the Overhead/Gas Training facility. Distribution line compatible trees and shrubs were planted adjacent to the lines, primarily from the “30 Trees Under 30 Feet” program described below. Additionally, a pollinator demonstration garden and wildflower meadow were installed to illustrate Transmission right-of-way compatible plants that also support all stages of pollinator life cycles.

Additionally, Eversource recently collaborated with Michael A. Dirr, Ph.D., an internationally known author and tree expert, to develop “[30 Trees Under 30 Feet](#)” recommendations for low-growing trees that are compatible for planting near overhead utility lines. Posters have been sent to over 500 municipalities and more than 1,200 garden centers and nurseries across the Eversource service area.

### Distribution System Hardening

Eversource regularly reviews the performance of our system and performs upgrades to bring new construction or retrofit construction to our enhanced design criteria, meeting or exceeding requirements of the National Electrical Safety Code. Investments typically target upgrades that will improve the ability of the system to withstand the impacts of wind, lightning, snow, ice and animals.

One example of a system investment is the Seafood Way Substation on the South Boston waterfront. Eversource constructed the substation to meet the growing demand for power on the waterfront, and to support energy needs in the Greater Boston region. The substation is built on a platform 15 feet above street level on pilings that are sunk some 80 feet below ground. The substation is built at this height to withstand storms and tidal surges.



In the Cape and Vineyard and Plymouth areas, Eversource is adding supply redundancy and improving reliability for customers supplied from low voltage, small power substations. Our approach is to phase out and retire single transformer substations and replace them with two separately located, pad-mounted stepdown transformers. These are typically supplied from two separate high voltage circuits, and there is also new automated switching added that helps restore most customers in minutes instead of hours. Projects have been

completed in various towns including Marshfield, Wellfleet, Edgartown, Vineyard Haven and Chilmark. Additional projects are currently in construction in Chatham, Bourne, Marshfield and Falmouth. Several more projects are being planned.

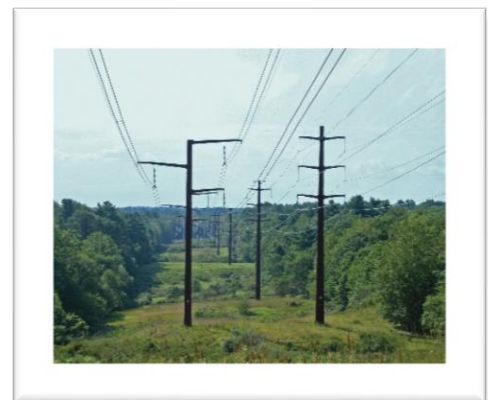
In the City of New Bedford, there is a grid modernization and automation project in construction to install a total of 37 automated switching devices. These devices will improve fault isolation and allow for remote switching by dispatchers which will reduce outage sizes and durations for city residents.

### Approved Regulatory Programs

In addition to infrastructure improvements to strengthen the reliability of our system, we are continually working with our regulators to identify and approve new programs that will help to improve our system resiliency.

In Connecticut, Eversource's "[System Resiliency Plan](#)," a five-year, \$300 million infrastructure hardening plan, was approved by PURA in 2013. In June of 2015, PURA approved an additional \$137 million of spending on the plan, which is designed to improve the system's ability to withstand damage when extreme weather strikes, reducing frequency and duration of power outages from severe weather and improving day-to-day system reliability. In 2018, PURA approved additional spending for new system resiliency work in the amount of \$187 million for years 2018 through 2020. This spending level was adjusted in 2019 to \$227 million for the three-year period. In July of 2020, Eversource filed with PURA to extend this program and is requesting approval to spend an additional \$155 million in 2021 and 2022.

In New Hampshire, Eversource has a Reliability Enhancement Program, developed in conjunction with the New Hampshire NHPUC. The 2019 program consisted mainly of specific vegetation management O&M for hazard tree removal, right-of-way clearing and enhanced tree trimming. Eversource invested \$16.4 million on these reliability projects in 2019. The program has produced measurable improvements in customer reliability. In Massachusetts on November 30, 2017, the DPU approved Eversource's proposal to implement a Resiliency Tree Work (RTW) program. In 2019, Eversource invested \$31.8 million to implement the RTW program consistent with the DPU's directives in D.P.U. 17-05. This included \$19.3M in incremental costs above what was in base rate revenues collected through the Resiliency Tree Work Factor. The RTW program is designed to reduce the number and duration of service interruptions caused by trees, and to assist Eversource in maintaining a safe, resilient and reliable distribution system. Specifically, the program allows us to maintain a four-year pruning cycle and track hazardous tree removals separately from our vegetation program. Through the program, we maintain clearances on approximately 11,200 overhead primary distribution miles in Massachusetts. Each year, we schedule approximately 25 percent of the distribution overhead system for pruning under the four-year pruning cycle.



### Transmission Reliability Initiatives

Eversource continually assesses the transmission system to assure that its operation meets regional and national reliability standards. Working in conjunction with ISO-NE, Eversource conducts periodic 10-year look-ahead transmission system studies so that system concerns are anticipated and resolved prior to being experienced in real-time operations.

The most recent ISO-NE study that has been approved addresses reliability needs in the Southeastern Massachusetts/Rhode Island (SEMA) area of the regional transmission grid. ISO-NE identified a suite of 27 individual projects, of which Eversource has 14 of these projects totaling about \$195 million. In addition, Eversource will continue to implement our transmission initiatives as part of the Greater Boston Reliability suite of projects and expect to complete the Greater Hartford-Central Connecticut, Greenwich Substation and Line (Connecticut), Westfield Reliability (western Massachusetts) and Seacoast Reliability (New Hampshire) Projects in 2020. These initiatives are the result of continued analysis of transmission needs to enhance system reliability and improve capacity in Eversource's operating territory. In addition to these major projects many transmission line replacement and refurbishment projects have been initiated across the Eversource transmission system to ensure system reliability as the transmission assets are reaching their end of life. There are also several substation upgrade projects that address the reliability and capacity needs as well as North American Electric Reliability Corporation (NERC) physical and cybersecurity standards.

Major transmission projects are highlighted on our website under ["Leadership In Transmission."](#)

### **Gas Business Reliability Initiatives**

Reliability, safety and the sustainability of our natural resources are key components in the daily operation of our natural gas systems in Connecticut and Massachusetts. In 2019, we invested close to \$445 million in our gas delivery infrastructure. This investment involves a combination of upgrading existing distribution mains and liquefied natural gas (LNG) storage facilities as we continue to meet the increasing demand for natural gas in our communities.

Our natural gas business plans directly align with federal regulations, which require all U.S. natural gas companies to identify and address the greatest risks affecting the reliability of their distribution systems.

In 2019, Eversource continued our class 3 leak repair program to reduce methane emissions in Connecticut. The program will systematically reduce the number of leaks over the next several years, reducing the total number of class 3 leaks on state-of-the-art facilities by more than 60%. These repairs, well above any federal code, will be prioritized based on facility type. In Massachusetts, Eversource collaborated with environmental and community groups as well as other local distribution companies (LDCs) in a study to develop a method to identify non-hazardous leaks that pose a significant environmental impact (SEI) due to the associated methane emissions. The study determined that 7% of SEI leaks account for 50% of emissions. The D PU enacted a new regulation in 2019 based on this study with requirements for LDCs to identify these leaks and a timeline to repair or eliminate them. Even before the regulation was enacted, Eversource was identifying and repairing SEI leaks and has implemented a program that is exceeding the timeline in the regulation for repair. SEI leaks identified on the system are repaired within one year of discovery.

In Connecticut, Eversource was first in the state to implement an accelerated replacement and reliability program; and in 2019, the pace of pipe replacement was further accelerated. In Massachusetts, the company developed our Gas System Enhancement Plan to prioritize and accelerate the replacement of pipe with new, state-of-the-art plastic piping. This program is approved annually by the Massachusetts DPU. As a result, Eversource is helping the environment, improving system reliability, and creating the springboard to drive natural gas expansion within our service territories.

### **Additional Natural Gas Assets and New Customers**

In February 2020, Eversource announced it had reached an agreement to acquire the Massachusetts natural gas assets of Columbia Gas for \$1.1 billion from NiSource. The acquisition will bring Columbia Gas operations in Massachusetts into the

Eversource family of assets. Columbia Gas currently serves 330,000 natural gas customers in more than 60 communities in Massachusetts. Eversource has 300,000 natural gas customers and 1.5 million electric customers in 51 communities across the commonwealth. Many communities that Columbia Gas serves with natural gas already receive electric service from Eversource. Eversource was asked by Governor Charlie Baker to step in and support Columbia Gas during the emergency response to the Merrimack Valley incident in September 2018. That allowed Eversource to become familiar with the affected



communities and some of the facilities and operations of Columbia Gas. Under the asset purchase agreement, liabilities related to the Merrimack Valley incident will remain the responsibility of Columbia Gas' current parent company, NiSource.

Columbia Gas customers can expect many benefits from Eversource, including improved safety and reliability through additional investments in infrastructure upgrades. Eversource will extend the same carbon reduction initiatives into the extended service territory of Columbia Gas in order to achieve our carbon neutral by 2030 goal. The transaction is expected to close in early fall 2020.

### Gas Quality Assurance/Quality Control Program

The natural gas explosions that occurred on September 13, 2018, in Massachusetts' Merrimack Valley served as a reminder for many regional natural gas companies regarding the importance of implementing safety protocols when installing and servicing natural gas equipment. For many at Eversource, however, it served as reassurance that the company's natural gas Quality Assurance/Quality Control (QA/QC) program has been proceeding in the right direction for some time.

Eversource's QA/QC program was implemented more than three years ago and is comprised of five employees who inspect natural gas installations in the field using various audit methods. One such method is the re-dig program. The teams excavate newly-installed gas lines to make sure installations are performed correctly and in accordance with building codes. When installers realize the cost of a complete reinstallation, they have a renewed focus on following the rules and doing it right the first time.

### Emergency Preparedness

Eversource is committed to emergency preparedness and business continuity, and strategically coordinates preparation and response efforts for storms and other major emergencies across our service territory. Our executive-led program is reviewed regularly to ensure it is being implemented effectively and maintained at the highest level of excellence.

Eversource takes a comprehensive "All Hazards" view to address business risks, including preparing for and responding to threats to continuity of services. Our strong practices and procedures for crisis management, as well as extensive experience working through storms and other disruptions, have served us well as we deal with the unique challenges presented by the global pandemic. We have adapted to the pandemic by prioritizing critical facilities, such as pharmacies and groceries, in our restoration protocols, and formulating plans for reduced mutual aid assistance. Since the onset of the pandemic in the United States, our electric, natural gas and water delivery systems have operated smoothly and without incident.

- We train consistent with the Federal Emergency Management Agency (FEMA) training standards, modules, classroom instruction, drills and exercises, and e-learning modules within a formal, ongoing training and exercise program.
- Major events and preparedness exercises are fully debriefed, after-action reports compiled, and follow-up actions tracked to completion, consistent with continuous improvement and the path to excellence.
- Partnering with our communities, we have pre-identified critical facilities such as hospitals, nursing homes, police and fire departments, to prioritize initial life and safety emergency response actions. Residents with life-sustaining medical equipment in their homes receive proactive outbound calls from us with storm readiness and awareness tips.
- Our common Outage Management System manages electric emergency response and restoration across all three states and includes technology for our customers to receive outage and restoration updates for their electric service by text, email or phone. Updates include time of restoration, outage cause, status updates, and restoration completion. To improve the timeliness and accuracy of restoration data, we deployed mobile technology to our Electric First Responder Field Personnel in 2017. Plans are in place to provide mobile technology to all gas and electric personnel in 2020.
- In 2019, our training and exercise program included training scenarios involving all operational and support organizations and focused on response and recovery mission capabilities associated with decision-making and communication processes and integration and coordination within and between organizational units.
- Every department maintains a Business Continuity Plan that is updated each year and exercised every September. These plans ensure that departments can maintain critical and essential functions to operate the business in the event of a loss of people, systems, facilities or vendors. These plans were put to the ultimate test in 2020 with our response to the COVID-19 Pandemic. The company activated the plans quickly to keep our employees safe while maintaining continuity of service to our customers. During the pandemic, our service territory experienced significant weather events, and we were able to deal with them promptly, quickly and effectively. A mid-March heavy, wet snowstorm resulted in more than 56,000 New Hampshire customers losing power due to falling tree limbs, but crews from all three states responded and restored power within 24 hours. An intense nor'easter battered the Atlantic seaboard on April 13th, but we were able to restore power to the vast majority of more than 225,000 customers in the first 24 hours after the storm hit, all while having our Business Continuity Plans in place for COVID-19.
- Our business response plans provide a standardized approach to emergency response, with integrated plans that are scalable to respond to an isolated incident, a regional or state-level event, or to address an incident affecting our entire three-state service area simultaneously.

All our preparedness and response plans emphasize our partnerships and timely communications with key stakeholders in each state. Working with communities, states, and federal agencies, we have established protocols to ensure a coordinated and integrated emergency response. For each state in our service area, we have an extensive communications and liaison team responsible for two-way communication with key stakeholders prior to and throughout an event to ensure up-to-date information is shared.

Our [website](#) provides customers with key information during severe events, such as outage reporting, a detailed outage map, real-time updates of crew and restoration status and the ability to stay connected through social media.

## Distributed Generation

Distributed Generation (DG) involves the production of electricity from many small energy sources, including solar, wind, fuel cells and micro turbines. DG can lower customer costs, reduce emissions, and expand energy options for our customers. More information on how Eversource is modernizing our grid for the integration of renewable energy is available in our [Reliability & Resiliency section](#). As of December 31, 2019, Eversource has over 2,500 MW of DG interconnected with our facilities as detailed in the following table.

kW of Interconnected DG (As of Dec. 2019)	Solar	Wind	Hydro	Other	Combined Heat & Power	Total
<b>CT</b>	498,237	5,091	111,294	39,378 <sup>1</sup>	176,324	830,324
<b>MA Eastern Electric</b>	614,976	56,076	22	4,525	173,695	849,294
<b>NH</b>	75,353	38,549	131,150	89,684 <sup>2</sup> 20,370 <sup>3</sup>	14,776	369,882
<b>MA Western Electric</b>	250,904	23,621	41,109	136,991 <sup>4</sup>	48,291	500,916
<b>Total</b>	1,439,470	123,337	283,575	290,948	413,086	2,550,416

<sup>1</sup> Fuel Cell, <sup>2</sup> Biomass, <sup>3</sup> Landfill Gas, <sup>4</sup> Bio Gas/Digester Gas, Trash Burner, Other

Generating facilities using renewable forms of energy may be eligible to receive incentives and grants. To learn more about these incentives and how customers can safely interconnect with our system, please refer to the generator interconnection guidelines available on our [website](#).

## In the Community

Eversource is committed to the health and economic well-being of the residents, businesses and institutions in Connecticut, Massachusetts and New Hampshire, and values our role as a responsible corporate citizen.

### Charitable Giving

In 2019, through our foundation and corporate giving, Eversource provided over \$18 million in financial donations to local and regional organizations, including more than \$11 million in Connecticut housing donations, to support economic and community development, the environment, and initiatives that address local, high-priority concerns and needs. We target our giving to ensure the greatest community benefit.

### 2019 Highlights

- Over \$7 million in charitable investments across New England.
- More than 190 volunteer days and charitable events.
- More than 6,400 employees and their family members participating.
- Nearly 37,000 hours serving the neighborhoods where we work and live.



- More than \$525,000 donated in support of employee personal giving and commitment through matching grants, Dollars for Doers grants and other giving programs that support community involvement.

In addition to grants to local nonprofit groups, Eversource is the signature or major sponsor of charitable events including:

- [Special Olympics Connecticut Winter Games](#), hosted at our facility in Windsor, Connecticut, was another successful event. More than 200 athletes competed, with the support of over 250 Eversource volunteers. Eversource has been hosting the Games for more than thirty years.
- [Eversource Walk for Boston Children's Hospital](#) along the Esplanade in Boston, annually attracts more than 5,000 walkers and in 2019 raised \$1.5 million to support the hospital's critical research, patient care and community health programs.
- [Eversource Walk & 5K Run for Easterseals](#) in New Hampshire raises hundreds of thousands of dollars to support the important programs and services provided by Easterseals. More than 2,500 participants and volunteers supported the 2019 event.
- [Eversource Hartford Marathon and Half Marathon](#), which promotes health, fitness, and enjoyment for athletes of varying ages, experience levels and abilities, and generates more than \$14 million of economic value annually to the region with 75,000 spectators, participants and volunteers — including more than 250 runners and more than 150 volunteers from Eversource.
- [PGA Tour Experience for Junior Golfers](#) at Travelers Championship is an Eversource- sponsored event for young golfers, prior to the Travelers Championship Golf Tournament. In 2019, the Travelers Championship raised \$2.1 million for nonprofit organizations throughout New England.
- [Mass General Cancer Center Eversource Everyday Amazing Race](#) is a 5K run, walk and 100-yard kids' dash along the Charles River in Boston. More than 1,000 runners and walkers participated in 2019, raising over \$500,000 to support the personalized medicine, early-detection technologies and innovative support care provided by the Center.

Additional information about our community involvement, including environmental stewardship, school programs and the signature sponsorships noted above, can be found by visiting Eversource's [Community](#) page.

### Volunteer Programs and Employee Giving

Eversource is proud to offer corporate volunteer programs, which give our employees the opportunity to support nonprofit programs with their time and service. Meet some of our employees who are ["Part of Our Community"](#) and see the many ways Eversource encourages employees to ["Build Healthier, Stronger Communities."](#) Each year through our United Way Campaign, Eversource and our employees, together, donate more than \$2 million to make a positive difference in the lives of our customers served by United Way agencies in New England.

Additionally, Aquarion offers Environmental Champions Awards that recognize adults, students, small and large businesses, and non-profits whose volunteer efforts have protected or improved Connecticut's natural resources — its air, water, soils or plant and wildlife communities.

## Community Outreach

Communications and open dialogue with customers and key stakeholders are a vital component of the work we perform every day. Eversource regularly works with community leaders, public officials, health and human service administrators and educators on critical issues facing the community.

**In recognition of the immediate impact of the pandemic on the communities we serve, we donated more than \$2 million through the Eversource Foundation to nonprofit organizations in Massachusetts, Connecticut and New Hampshire. These funds included our regular \$1.2 million annual donation to United Way agencies across all three states and an additional \$1 million to be dispersed to those and other agencies such as food pantries and health and human service organizations.**

For transmission construction, natural gas expansion and certain electric distribution reliability projects that impact our communities, Eversource supplements these efforts by keeping our customers, communities, and state and local leaders informed through a variety of mechanisms. These supplemental communication measures include meetings with local and other elected officials; mailings; door-to-door outreach; project webpages; dedicated toll-free numbers and email addresses; and public open houses.

To support our communities and to help make a positive difference in the lives of our customers, Eversource's Community Relations group awards non-profit organizations with grants to support their important programs. In 2019, over \$465,000 was donated to organizations across our service territory. We also provide school outreach programs, offering third through sixth grade teachers the option to receive free activity books and lesson plans about electric and gas safety and energy efficiency.



## Positive Economic Impact

Eversource contributes to the success of our region and actively partners with New England leaders to recruit new businesses and boost our local economy. In 2019, we were an active participant in multiple economic development initiatives in Connecticut, Massachusetts and New Hampshire. These initiatives included extensive construction projects that allowed major companies to expand, sponsorships of organizations that support economic development, and the purchase of tax credits, all benefiting the communities we serve.

We support dozens of Chambers of Commerce throughout New England and in 2019 provided over \$3 million in funding to various economic development groups who share a goal of helping to boost the economies of New England.

Eversource's Community Relations team participates in Municipal Economic Development Training sessions led by the Advance CT (formerly the Connecticut Economic Resource Center) and contributes material to the widely distributed *Economic Review* publication. We are actively involved in organizations such as Advance CT, Connecticut Main Street Center Inc., and the Connecticut Business and Industry Association (CBIA).

In 2019, Eversource and affiliates paid \$753 million in state and local taxes mainly to the three states of Connecticut, Massachusetts and New Hampshire. The taxes that Eversource pays include state income and franchise taxes, property taxes and various other state and local taxes. Management views Eversource's responsibility for our tax obligations as a very important part of the company's operations and therefore is a diligent taxpayer. We view our tax obligations as having a positive impact on the various state and local communities in which Eversource does business.

We presently participate in four different tax credit programs in Connecticut, offering an incentive for businesses to support community programs. In 2019 alone, Eversource invested over \$17 million in tax credits for affordable and historic preservation. The State of Connecticut Housing Trust Fund estimates that a \$10 million investment would create 1,290 jobs, 750 housing units, \$120 million in additional housing development, and nearly \$42 million in wages paid on an annual basis. Over the last five years, we have purchased credits for 84 eligible rehabilitation projects under the Historic Rehabilitation Tax Credit Program. This amounted to more than \$106 million in tax credits for total qualified rehabilitation projects. These projects in many cases were abandoned properties that have now been returned to city and town tax rolls throughout the state of Connecticut. Since 2014 under the Historic Homes Rehabilitation Tax Credit Program, Eversource purchased \$7.1 million credits for 333 homeowners. These represented over \$31.5 million in local rehab expenditures and have helped revitalize local neighborhoods. Since 2014 under the Housing Tax Credit Contribution (HTCC) Program, which is designed to develop low-income and supportive housing throughout the state, Eversource has purchased \$48 million in HTCC credits, which have assisted 138 separate projects throughout the state of Connecticut.

In New Hampshire, Eversource supports over 30 Chambers of Commerce associations, along with business groups such as the New Hampshire Business and Industry Association, New Hampshire Travel Council, New Hampshire Grocers Association, New Hampshire High Tech Council, Small Business Development Corporation and the New Hampshire Economic Development Association. We partner with organizations such as Jobs for America's Graduates and "Stay, Work, Play" to support workforce development and retention. Community Relations also works closely with state agencies such as the New Hampshire Department of Business and Economic Affairs and the Department of Natural and Cultural Resources to support economic initiatives.

In Massachusetts, Eversource is a member of, and has strong partnerships with, over 30 Chambers of Commerce, Rotary Clubs and other business and economic development organizations such as the Massachusetts Alliance for Economic Development, Economic Development Council of Western Massachusetts, Massachusetts Taxpayers Foundation, 495 MetroWest Partnership and the Associated Industries of Massachusetts.

In Connecticut, Eversource is a member of, and has strong partnerships with, over 30 Chambers of Commerce, Rotary Clubs and other business and economic development organizations such as Advance CT, the Department of Economic and Community Development, The Connecticut Economic Development Association, and the Connecticut Business and Industry Association.

Eversource Economic Benefit					
	2015	2016	2017	2018	2019
<b>Donations</b>	\$4.7 million	\$5.1 million	\$5.3 million	\$6.3 million	\$7 million
<b>Employees*</b>	7,943	7,762	8,084	7,998	8,234
<b>Taxes Paid</b>	\$643 million	\$646 million	\$698 million	\$697 million	\$753 million

*\*Employee numbers are approximate as of end of year, excluding temporary employees. 2015-2017 does not include Aquarion employees.*

### COVID-19 Response

All year long, and especially during the onset of the COVID-19 pandemic in 2020, our communities depend on the critical social services provided by our nonprofit organizations. As part of our efforts to support all customers and communities during the COVID-19 pandemic, Eversource donated more than \$2 million through the Eversource Foundation to nonprofit organizations in Massachusetts, Connecticut and New Hampshire. These funds include our regular \$1.2 million annual donation to United Way agencies across all three states and an additional \$1 million donation to be dispersed to those agencies and others providing social services such as food pantries and health and human service organizations.



## OUR PEOPLE

At Eversource, our shared commitment to “Safety First and Always” is a principle and a mindset we weave into the fabric of every job and every task — whether in the field, office or at home.

## OUR PEOPLE

### Safety

At Eversource, our shared commitment to “Safety First and Always” is a principle and a mindset we weave into the fabric of every job and every task — whether in the field, office or at home. A priority at Eversource is continuous improvement and Safety is at the forefront as we continue to build a strong safety culture, embrace new technologies, and learn with our industry and community partners to improve safety performance.

#### Building a Strong Safety Culture

In 2019, we identified a need to enhance the educational foundation of our front-line supervision. In partnership with our Operations team, a classroom-based test on the Eversource Safety Manual was developed and implemented for all electric and gas supervisors and above to evaluate their knowledge and help identify personal coaching opportunities for these critical safety champions. Feedback from the initiative was very positive with many people learning additional ways to safeguard our employees.

Further emphasizing our commitment to safe driving at Eversource, we focused on expanding our supervisor’s ability to educate and manage safe driving techniques. To help deliver the safe driving training, we partnered with Liberty Mutual and educated over 150 Eversource supervisors and managers. Additionally, we started developing a Safe Driver Initiative which will include 11 safe driving modules and will be used to continuously improve our drivers safe-driving knowledge. This initiative will be finalized in 2020.

#### Embracing New Technologies

In 2019, we continued to improve our new safety information management system (SIMS) by upgrading the system to enhance reporting abilities while adding new modules for Medical Reporting, Job Hazard Analysis, Safety Meetings, and Documentation. Utilizing current features in the system, we added an event category for Good Catches. A Good Catch is when an issue is identified, and action is taken to address it before it becomes a bigger problem. The new feature allows anyone to enter a Good Catch into SIMS with each one being shared across the company in our Safety Daily Summary email. In 2019, close to 800 Good Catches were reported. Each one of those reduced risk while making Eversource a safer and better company. With the success of SIMS being used by Safety, other company organizations have started using the system to document and track Inspections and Reporting which is improving our Quality Control performance.

We continue to manage a sizable electric, natural gas and vegetation management contractor workforce. We finished 2019 with over 325 contractors using ISNetworld. This tool allows us to better evaluate the quality of a contractor’s safety programs prior to letting them work on an Eversource job. We also began the process of merging those contractors that support Aquarion into the ISNetworld system. That will be completed in 2020. In addition, monthly meetings with our critical contractors are held to learn from each other and to identify ways we can continuously improve our safety programs.

## Industry and Community Partnerships

Eversource continues our leadership role within EEI to improve contractor safety performance, including membership on the Occupational Safety and Health Executive Advisory Committee which oversaw efforts to create an industry-wide Serious Injury or Fatality (SIF) precursor standard and engaged with Occupational Safety and Health Administration (OSHA) on industry concerns. We joined the Construction Safety Research Alliance (CRSA) which is a joint utility, construction and general industry task force that is developing a predictive analytic tool that will help us identify risk factors for projects that could lead to SIF events.

Internally, in 2019 we also conducted spring and fall Contractor Safety Summits, attended by over 50 of our major contractors, where we reinforced our safety expectations, discussed and learned from events, and encouraged contractors to exchange safety information and best practices among their peers.

We are committed to keeping the public safe and have utilized a variety of resources to conduct electrical and gas safety presentations for first responders, emergency management personnel and other groups throughout our service territory. This training was highlighted by our “Live Line Demonstration” trailer, which allows participants to see first-hand the risks our electrical lines and equipment pose.

For more than 20 years, Eversource’s Safety Department has been providing semi-annual electrical hazard awareness training to the new-recruit firefighter training classes at fire and police academies. This program is designed to ensure a safe and effective response by first responders to system emergencies. The recruits review information about basic electricity, potential hazards, the electric transmission and distribution system, the Eversource Emergency 911 (E911) Priority Level System and more.

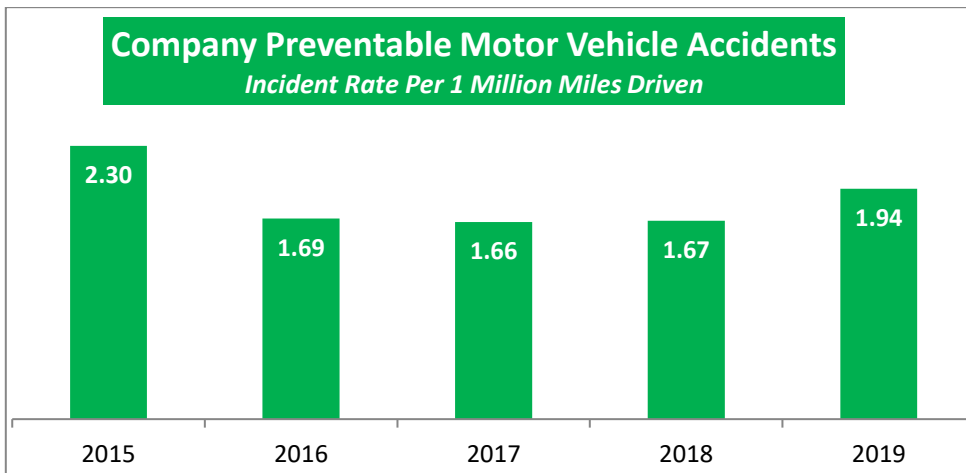
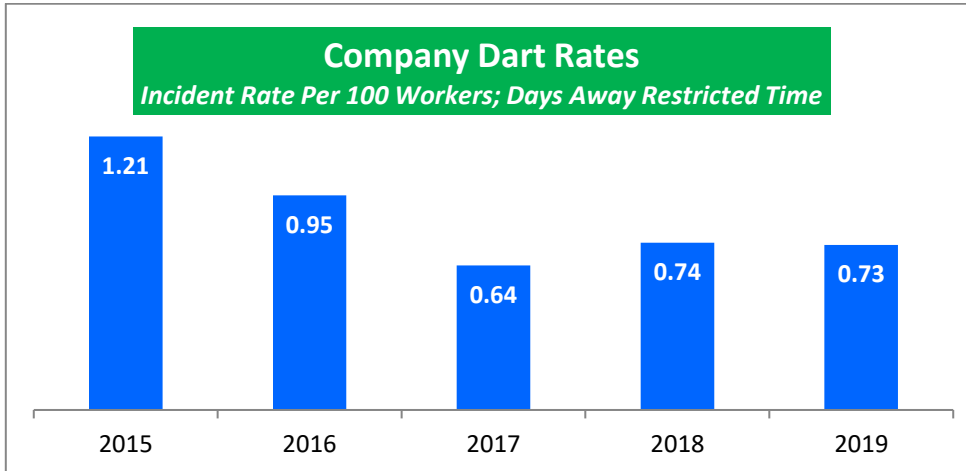
Please [visit our website](#) to learn more about our residential safety programs and to view important safety [videos](#).

## Safety Performance

We continued to work on preventing SIF by enhancing metric analysis, incorporating SIF inspections and field safety observations; utilizing a more robust and rigorous approach to switching; and correcting other precursors of high-risk activities. As a result of these activities, we saw a reduction of our SIF injuries in 2019 by 27% as compared to 2018.

Due to our efforts, we have reduced Eversource Corporate Days Away Restricted Time (DART) rate by 40% since 2015. We also have seen a 17% reduction in Preventable Motor Vehicle events during that same time frame.

This performance was achieved by continuously improving our safety program, our safety culture, and the way we work. With our union partners, we are cultivating an environment of improved transparency, trust, accountability and shared responsibility. We’re proud of our safety journey and continue to live by our core value of Safety First and Always.



## Workforce Investment

Eversource recognizes that an engaged workforce is critical to our mission of delivering reliable energy and a superior customer experience. Leaders at all levels strive to create a workplace where our employees advocate for the customer, work collaboratively, raise ideas for improvement and focus on delivering a superior customer experience. We build employee engagement through continuous communication, developing talent, fostering teamwork and creating a diverse, inclusive workplace.

To support these efforts and measure our progress, we conduct a bi-annual Employee Engagement and Culture Survey to identify areas of high performance and areas of opportunity for the organization and employees. In 2019 we conducted two engagement and culture pulse surveys to gauge employee engagement and customer excellence progress. Our culture metric score was 68% - placing us in a “good” category. This result indicates our “customer-facing employees” understand the impact of excellent customer service and their role in contributing to that effort. From 2018 to 2019, we experienced an 11% lift in engagement. The survey results showed positive momentum in overall favorability, an increase in collaboration and teamwork across the company, getting the opinions and thinking of employees, and counting on senior managers to follow through and do what they say they will do.



Our survey also provided insight into how we can continue to build engagement and a performance culture. Key employee engagement action items include efforts to improve the employee and customer experience, seek employee input and thinking, and work collaboratively. Leaders worked with employees to develop and execute action plans to address survey results.

We have provided improved tools and resources for employees to do their work, such as new technology and mobile devices. Those included a redesigned, informative intranet for quick and easy access to important information and resources; technology that enables real-time collaboration across the organization; an enhanced onboarding process for new hires and managers; and a self-service, online total rewards statement.

We introduced an employee online community consisting of hundreds of employees and have engaged that group for input on several business topics. We will be introducing more frequent pulse employee surveys to seek continuous feedback and make further improvements to the business, customer service, and the employee experience. We also included hundreds of employees in redesigning processes or “customer journeys” to improve the experience for customers in how they interact with Eversource, including billing and payment, outage communications and initiating service.

We successfully rolled out “Plus One” training - a customer service initiative that focuses on improving the customer experience, and leaders’ efforts to sustain a culture of delivering a superior customer experience - to approximately 3,500 customer-facing employees in 2019 for a total of 5,000 employees since inception. This included leader and peer-to-peer training, pulse culture surveys, and follow-up leader forums focusing on progress and opportunities. In 2019, we saw an increase in employee efforts to provide exceptional customer satisfaction and saw an increase in accolades from customers. We also enhanced rewards and recognition for those employees who delivered exceptional, “plus one” customer service. Plans are developed to rollout the Plus One Program to the remaining non-customer-facing employees in 2020.

We continued to recognize employees who provide great customer experience through our Customer Excellence Award, which recognizes employees who demonstrate a commitment to go “above and beyond” their job requirements for our customers. In 2019, there were four Customer Excellence Award ceremonies for five recipients across all three states. As part of the award, winners designate a charity to receive a company donation on their behalf.



We enhanced opportunities for two-way communication with leaders, including increasing executive visibility throughout the organization, holding multiple town hall and skip-level meetings, and implementing the “Walk in My Shoes” program for employees to learn about other departments

In 2019, we maintained our supervisor effectiveness programs, which are designed to develop new and current supervisors so that they can lead and deliver the performance necessary to achieve our organizational goals. These programs include:

- SuperVISION - An education program open to newly hired supervisors consisting of three modules: Business and Leadership, Technical and Field Visits. Seventy-two attendees participated in 2019.

- Supervisor and Manager Forums – Open to all Eversource supervisors and managers, quarterly forums provide opportunities to stay updated on company-wide initiatives and learn about topics important to employees. In 2019, 447 managers and supervisors participated.
- Gas Supervisor and Engineering Professional Development Cohort Programs – These comprehensive development programs are designed to attract, develop and retain future leaders to ensure a pipeline of qualified supervisors and engineers to meet our future talent requirements. This program consists of three primary modules: business and leadership development, technical training, field observations, rotational assignments and final apprenticeship.
- Based on survey results, we are continuing the “Our Business, Our Future” training program, which provides business-specific knowledge and information to our entire organization. In 2019, 329 employees participated in this program.

## Workforce Planning

Strategic workforce plans are developed every year as part of the annual business planning process to identify long-range needs to ensure that we acquire, develop and retain diverse, capable talent. This includes leveraging educational partnerships in critical craft and technical areas and developing proactive sourcing strategies to attract experienced professionals in highly technical roles in engineering, electric and gas operations, and energy efficiency. As part of this process, we identify critical roles and develop succession plans to ensure we have a capable supply of talent for the future.

## Professional Development

Eversource provides employees with a variety of field and classroom training opportunities throughout their career to support their ongoing success on the job, including:

- A talent management process to identify high potential and emerging talent and ensure their development. We have retained close to 100% of our key talent over the past few years.
- A successful, rotational associate engineering program where engineers rotate through various departments in Engineering, giving them a foundation before selecting a discipline of engineering in which to continue their career.
- GOLD (Growth Opportunity Leadership Development) Program. We have 41 current participants in this program, which provides educational and professional development opportunities for employees who are recent college graduates.
- Through our tuition assistance program, Eversource shares the costs of continuing education for professional development and career growth.
- We offer paid internships and co-ops, partnering with local educational institutions to provide on-the-job learning opportunities. In 2019, we hired more than 100 interns and expect to do the same in 2020.
- Our goal is to provide students the opportunity to learn about the energy industry while gaining hands-on experience in a real work environment. As valued members of our team, co-ops and interns are respected for their fresh outlook, unique problem-solving skills and energetic contributions, creating an experience, so we can hire top talent upon graduation.
- We offered the Leadership Excellence and Development (LEAD) program in 2019 with three courses focusing on communicating effectively, employee engagement, fostering an inclusive and respectful workplace, and coaching for success.

To learn more, please visit the [Careers](#) section of our website.

## Military and Veteran Support

Eversource's recruitment and military reserve policies have made it one of the nation's recognized best-in-class companies for veterans and other service members. Eversource was one of 15 companies selected from 2,500 nominations to receive the 2019 Defense Employer Support Freedom Award. We offer a pay differential and full benefits for the full duration of a service members deployment as well as any training needed or necessary when returning to work. We actively seek candidates with military experience and offer training and advancement programs that provide opportunities at all levels.

We support the Troops to Energy Jobs and Helmets to Hard Hats programs and ESGR, which provide a roadmap of positions into the energy industry. We have transition teams for returning military employees to ensure a seamless entry back into the workplace. In 2019, the Eversource Veterans Association raised and distributed hundreds of thousands of dollars to the veteran community. We continuously focus on enhancing the experience for veterans joining our organization. To find out more, please visit our [website](#).



## Diversity and Inclusion

At Eversource, our commitment to Diversity & Inclusion (D&I) is critical to building a diverse, empowered and engaged team that delivers great service safely to our customers. A diverse workforce and inclusive culture contribute to our success and sustainability by driving innovation and creating trusted relationships with our employees, customers, suppliers and community partners. We must tap into the talent, unique perspectives, and cultural and life experiences of every employee to ensure our continued success.

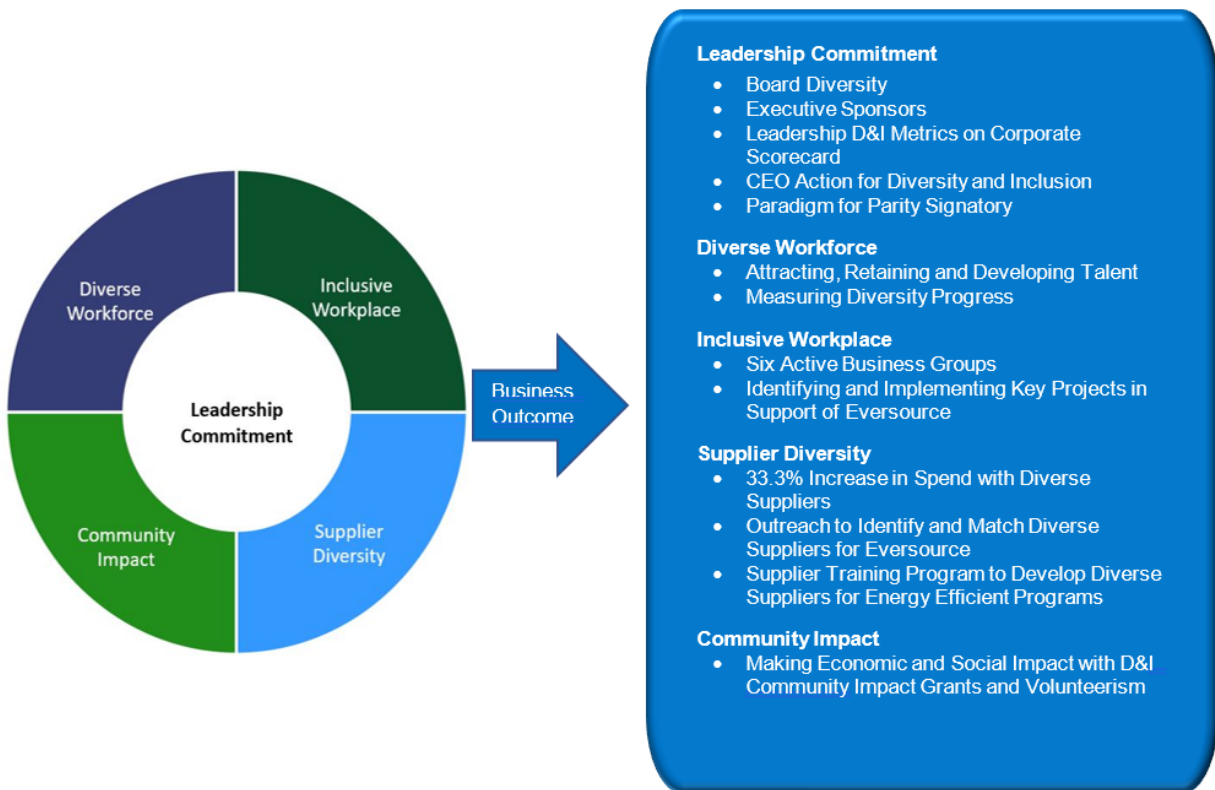
**Our hiring practices emphasize diversity and we encourage employees to embrace different people, perspectives and experiences in our workplace and within our communities — no matter their race, gender, religion, sexual orientation, or other personal qualities.**

D&I at Eversource is directly aligned with our corporate mission and business objectives to:

- Attract, develop and retain a diverse workforce that enables us to work together to meet the changing needs of the customers we serve, to deliver reliable energy and superior customer service.
- Create one inclusive workplace, where all employees, customers and stakeholders are respected and valued.
- Leverage the talent, unique perspectives, cultural and life experiences of every employee to ensure our continued success.

## Putting our D&I Strategic Plan into Action

Eversource is executing our D&I strategic plan and achieving real business results in all four of its focus areas.



Eversource’s executive leadership team, led by the CEO, promotes and supports D&I by building diverse, inclusive work teams with high engagement — growing a pipeline of diverse talent, leveraging multiple perspectives to improve customer service, using diverse suppliers, engaging with multicultural organizations in our communities and supporting the work of the D&I council and BRGs. Human Resources works closely with Eversource’s executive leadership team to develop and implement D&I goals and drive accountability for D&I progress throughout the company. Eversource’s Board of Trustees is committed to diversity and inclusion and receives regular monthly progress updates.

A few highlights of Eversource’s advancement toward a diverse workforce and inclusive culture:

- **Leadership Commitment**

Jim Judge signed the CEO Action for Diversity and Inclusion pledge, which is the largest CEO-driven business commitment to advance D&I in the workplace. More than 1,000 CEOs and presidents have signed the pledge. Jim Judge also signed the Paradigm for Parity, a coalition comprised of business leaders, board members and academics committed to addressing the corporate leadership gender gap.

- **Edison Electric Institute D&I Commitment**

Eversource continues our collaboration with EEI in working to build the next-generation energy workforce — one with diverse, highly skilled, and qualified employees capable of delivering on the responsibility to meet customers’ evolving energy needs. Eversource supports the EEI D&I Commitment and is executing our diversity and inclusion plan, which incorporates initiatives and metrics to improve our overall D&I results and engage in specific D&I actions.

- **Executive Compensation Tied to D&I**

Eversource links executive compensation to meeting our D&I goals and has made progress over the years. In 2019, our executives' annual incentive program included a goal that women and people of color comprise 40% of total leadership promotions and hires, which we exceeded. Our goal for 2020 is 40 percent of our leadership promotions and new hires will be women and diverse candidates and more than 50 percent of all new external hires will be women and diverse candidates.

- **Board Composition**

Eversource continues our commitment to strategic, forward-thinking board composition and recruitment practices. The Corporate Governance Committee and the Board of Trustees seek diversity in gender, ethnicity and personal background when considering Trustee candidates. Diverse thoughts and views emanating from different backgrounds, life experiences, gender and race, career experiences and skills are critical to a well-functioning Board and essential to embracing opportunities and confronting challenges in the future. Our 11-person Board of Trustees is comprised of three women, two of whom are African American, an African American male, and an Asian American male. This puts us in the top tier of the Boards of the companies that comprise the Edison Electric Institute, the electric industry's most prominent industry trade group.

- **Diverse Workforce**

Eversource continues to work toward a diverse workforce with a focus on women and minorities in leadership. We set aggressive D&I goals and met and/or exceeded our expectations on almost all of these measures in 2019:

- Diversity of Leadership Promotions and Hires
- Diverse Slate of Candidates
- Diverse Hires
- Diversity of Key Talent
- Workforce Representation of Females
- Workforce Representation of Minorities
- Workforce Representation of Veterans
- Supplier Diversity Spend

In 2020, 40% of all leadership appointments, hires and promotions will be women or diverse employees and more than 50% of all external hires will be women and diverse candidates.

- **Diverse and Inclusive Workplace**

In 2019, Eversource continued to build employee engagement through our D&I Council and BRGs. This programming included hosting:

- Eversource Diversity & Inclusion Week: "Empowering our Employees. Powering Our Employees" with 70 officer-led conversations conducted throughout the company to deepen understanding of D&I, employee spotlights to highlight what diversity and inclusion meant to them, community giving and networking and learning events throughout the week.
- CEO Action Check Your Blind Spots unconscious bias bus tour, providing a powerful learning experience for our councils, BRGs and employees.
- Livestream women's conference event featuring internationally-renown women speakers
- Career panels for employees in non-traditional roles
- Highly engaged officers, the council and BRG leaders committed to, and participated in, CEO Action for Diversity Day of Understanding through our D&I Annual Summit, which included Unconscious Bias training.

- **Community**

We know that a workforce that more closely mirrors our customer base gives us insight to understanding our customer preferences and expectations so that we can better serve them. Equally important is being a leading partner in the communities we serve. It allows us to reach a broad segment of our customer and employee population. Please visit the [In the Community](#) section to learn about our efforts.

Eversource will continue to focus on hiring diverse talent and doing business with local, small and diverse-owned businesses from the communities where we live and serve our customers.

To learn more about our Supplier Diversity efforts, please visit our [Sustainable Supply Chain](#) section.

### **Diversity & Inclusion Councils and Business Resource Groups**

We have recently evolved from having three state D&I councils to one corporate-wide D&I council to allow for greater collaboration across the BRGs and increase alignment of D&I efforts and Eversource's business plan. Eversource's D&I Council and BRGs are comprised of employees based in Connecticut, Massachusetts and New Hampshire who serve as change agents and champions of D&I. Our D&I Council and Executive Sponsors have been actively engaged and leading the planning and execution of projects and activities under our D&I strategic plan and to further advance our diverse and inclusive workplace. Our D&I Council Executive Sponsors include our Vice President Talent, Culture and Organizational Development; Vice President, Connecticut Electric Field Operations - Substations; and Vice President, New Hampshire Electric Operations.

The D&I Council is a cross-level, cross-functional team of employees representing the operating companies, business areas, departments and key functions. Team members help to identify and prioritize initiatives and promote events to support the company mission and vision with the goal of building an engaged, inclusive workplace and improving customer service. The team seeks employee feedback, bring forward key D&I issues and recommend solutions. Our team members are dedicated, involved, passionate, proactive and responsive employees who act as champions of D&I. This diverse team of council members plays an important role in supporting Eversource's mission as they represent the unique needs and perspectives of our customers and stakeholders across the geographic areas we serve.

Members of the D&I Council and BRGs help to identify and recommend strategies and actions to build an inclusive workplace, diversify the workforce, improve customer service, increase supplier diversity and provide support to our diverse communities. Members of these groups reflect and represent the diverse needs and perspectives of our customers and stakeholders. Currently more than 800 employees across all three states are involved in our council and BRGs. and we continue to evolve and expand these groups.

Eversource's Business Resource Groups span across Connecticut, Massachusetts and New Hampshire:

- Multicultural BRG
- Women's BRG
- New Hire BRG
- Veteran's BRG
- Young Professionals BRG
- Pride & Allies BRG

Membership across BRGs grew by 20% in 2019 and plans are also in place to launch a new Differently-Abled BRG.

## Diversity Recognition

In August of 2019, Eversource received the Defense Employer Support Freedom Award, the Department of Defense's highest award that recognizes employers for their support of employees serving in the National Guard and Reserves. Eversource was one of only 15 companies recognized from more than 2,500 submitted nominations. For two years in a row, Eversource was selected as one of 325 companies worldwide for the 2020 Bloomberg Gender-Equality Index, which distinguishes companies committed to transparency in gender reporting and advancing women's equality.



## Eversource Green Team

Eversource's Commitment to Environmental Sustainability is not only a corporate priority, it is a mindset of our employees. Early in 2019, we formed the Eversource Green Team to engage employees across our service territory and to date nearly 100 employees have joined. We are proud that this is an employee-driven group to develop and implement initiatives that are most important to us.

2019 initiatives and key accomplishments included:

- Promotion of Eco-miles initiative to encourage employees to reduce miles driven associated with work by carpooling, using technologies for virtual meetings, and taking public transportation. Over 340 employees participated in 2019 and reported 263,000 Eco-miles, which are miles not driven. This is the equivalent of 106 metric tonnes of carbon emissions avoided.
- A recycling Initiative to reduce waste going to landfill. Events included clothing and plastic bag collections and the promotion of reusable beverage containers.
- The creation of an inclusive community for employees to share the environmental and health benefits of organic, local and plant-based diets.
- Work with our Facilities team to plan projects to promote outdoor work spaces.
- Creation of a dedicated intranet page for all employees to learn about Green Team activities.
- Launch of a Speakers Series for all employees to learn about environmental topics of interest to them, including Eversource initiatives and community activities.

In 2020, we are continuing our engagement with employees during COVID-19, focusing on online communications and virtual events. Highlights include the continuation of our Speaker Series and sharing the actions that our employees are taking to care for the environment, from composting to raising Monarch Butterflies.

## Employee Wellness

Eversource Wellness & Fitness Services is a comprehensive initiative to encourage employees and their families to adopt and maintain healthy lifestyle habits. Services available to all Eversource employees include:

- Resources to learn about making and maintaining positive changes through on-site programs, fitness activities events and screenings, disease management programs and self-guided activities.
- An online wellness portal to track personal health and wellness data and receive real-time feedback on their progress in specific areas of well-being (nutrition, physical activity, sleep and hydration).
- Incentives to help keep participants motivated. Cash and non-cash incentives such as gift cards and fitness and wellness gadgets, are awarded to participants throughout the year.
- Discounted Fitbit activity devices are available to help provide motivation to move more throughout the day.
- Office workstation assessments are available, with additional resources and guidance on working in comfort and preventing injuries.
- Support to help make changes and maintain a healthy lifestyle in an encouraging environment.



- Fitness Centers located onsite at three Eversource locations open 24 hours a day, seven days a week. Employees can enroll in a membership (at a cost) to enjoy free personalized workout programs and classes delivered by highly qualified personal trainers.

In 2019, participation in the company-wide online wellness portal increased 2.5% over 2018 and incentive program completion increased 1%. The Wellness Team delivered 252 health education programs and events at Eversource locations throughout Connecticut, Massachusetts and New Hampshire with just over 8,700 participants. In addition, 34 on-site flu shot clinics were provided with 1,300 participants and over 100 office workstation ergonomic assessments were performed.

## MATERIAL TOPICS & ALIGNMENT WITH UN SDGs

In 2018, Eversource completed a comprehensive review of material topics identified through existing processes that have potential environmental, social or economic impact related to our business practices. Additionally, we validated who our key stakeholders are, and how we engage with them and consider their expectations in our strategic planning processes. In 2019, we verified that all risk factors identified in Eversource's 2018 Annual Report are addressed in our material issues and verified that topic scopes and boundaries are still accurate.

We have robust processes in place to regularly assess risks and opportunities, emerging issues and stakeholder concerns. These include topics that our Disclosure Committee determines are material to investors for inclusion in our financial reports, significant issues identified through our Enterprise Risk Management process, as well as our senior team priorities and key performance indicators. Our sustainability team reviewed all of these sources to define our material topics and their scope through a sustainability lens to facilitate reporting.

Continuous engagement with external stakeholders is vital to the success of our business. These important relationships inform internal discussions and guide our planning and anticipation for stakeholder expectations. From shareholder meetings, community outreach, and customer satisfaction surveys to social media, project partnerships and regulatory proceedings, we hear the voice of our stakeholders and incorporate their concerns into our planning and decision processes.

In 2015, United Nations member countries established the [2030 Agenda for Sustainable Development](#), and committed to 17 Sustainable Development Goals (SDGs) with 169 targets to advance the environmental, social and economic pillars of sustainability. Throughout our sustainability report and in our [Commitment to Environmental Sustainability and Carbon Neutrality](#) you can see how our business activities support achievement of the following key SDG goals:

- Ensuring Affordable and Clean Energy (Goal 7)
- Climate Action (Goal 13)
- Clean Water and Sanitation (Goal 6)

Following is a list of our material sustainability topics, their scope and boundary, and mapping to the UN SDGs. Additionally, Eversource supports UN SDGs by contributing to the economic, environmental and social well-being of our region through our core business of providing reliable energy and water to our region, and our care for the well-being of our employees and the communities we serve.

We determined that ranking of our material sustainability topics is not pertinent, as their relative importance can change based on current events, and all are addressed in our business processes and in our sustainability report.

*The use of the term "materiality" in this report differs from financial materiality, which is a term that describes matters or facts that would have a substantial likelihood to be deemed important to a reasonable investor making an investment decision.*

# SUSTAINABLE DEVELOPMENT GOALS



Material Topics	Topic Description and Scope (Including, but not limited to)	Topic Boundary	Relevant SDGs
Community Engagement	<p>Activities benefitting the communities we serve</p> <ul style="list-style-type: none"> <li>• Corporate giving</li> <li>• Volunteerism</li> <li>• Economic benefit</li> <li>• Community outreach</li> </ul>	<ul style="list-style-type: none"> <li>• Entire company focus</li> <li>• Service territory communities</li> <li>• Select external stakeholder groups</li> </ul>	3, 4, 9
Customer Satisfaction	<p>Meeting customer expectations for delivering reliable energy and superior customer service</p> <ul style="list-style-type: none"> <li>• Customer communications</li> <li>• Problem resolution mechanisms</li> <li>• Outage restoration</li> <li>• Billing options</li> <li>• Energy affordability</li> </ul>	<ul style="list-style-type: none"> <li>• Entire company focus</li> <li>• Customers, regulators</li> </ul>	7, 16
Cyber Security & Data Protection	<p>Ensuring the security of customer and employee data, computer systems, grid infrastructure, and physical assets. Includes protection against:</p> <ul style="list-style-type: none"> <li>• Disclosure of confidential information</li> <li>• Cyber breaches</li> <li>• Grid disturbances</li> <li>• Acts of war or terrorism</li> </ul>	<ul style="list-style-type: none"> <li>• Entire company focus</li> <li>• Customers, service territory communities, investors, regulators, legislators</li> </ul>	9, 16

Emergency Preparedness	<p>Ensuring comprehensive emergency preparedness and response</p> <ul style="list-style-type: none"> <li>• Preparation for all hazards</li> <li>• Storm response</li> <li>• Outage management</li> <li>• Stakeholder communications/partnerships</li> </ul>	<ul style="list-style-type: none"> <li>• Entire company focus</li> <li>• Customers, service territory communities, regulators, legislators</li> </ul>	13
Energy Efficiency	<p>Providing energy efficient solutions for our customers and maximizing energy efficiency in our own operations</p> <ul style="list-style-type: none"> <li>• Electric and gas programs offered to residential and business customers and communities</li> <li>• State partnerships</li> <li>• Facility improvements</li> </ul>	<ul style="list-style-type: none"> <li>• Entire company focus</li> <li>• Customers, service territory communities, regulators, legislators</li> </ul>	7, 13
Environmental Accountability	<p>Conducting business in a manner that protects and enhances the environment and fosters environmental stewardship</p> <ul style="list-style-type: none"> <li>• Environmental compliance</li> <li>• Air quality</li> <li>• Waste management</li> <li>• Remediation programs</li> </ul>	<ul style="list-style-type: none"> <li>• Entire company focus</li> <li>• Regulators</li> <li>• Service territory communities</li> <li>• Select external stakeholder groups</li> </ul>	6, 12, 15
Ethics	<p>Demonstrating inclusive, respectful, honest and ethical behavior</p> <ul style="list-style-type: none"> <li>• Principles that govern our business</li> <li>• Corporate compliance</li> <li>• Diversity and Inclusion</li> </ul>	<ul style="list-style-type: none"> <li>• Entire company focus</li> <li>• Investors, regulators</li> </ul>	5, 10, 16
Finance	<p>Meeting and exceeding performance targets while driving efficiency and managing costs</p> <ul style="list-style-type: none"> <li>• Shareholder return</li> <li>• Business growth</li> <li>• Rate structure</li> <li>• Financial reporting requirements</li> <li>• Operational and capital expenditures</li> </ul>	<ul style="list-style-type: none"> <li>• Entire company focus</li> <li>• Investors</li> </ul>	8, 10
Fuel Diversity	<p>Integrating diverse power supply into our delivery system</p> <ul style="list-style-type: none"> <li>• Integration of renewable power</li> <li>• Lower carbon solutions</li> <li>• Fuel availability</li> <li>• Infrastructure development</li> </ul>	<ul style="list-style-type: none"> <li>• Entire company focus</li> <li>• Customers, service territory communities, regulators, legislators, investors</li> </ul>	7, 11, 13
Greenhouse Gas Emissions	<p>Implementing initiatives to reduce GHG emissions in our operations and support regional targets</p> <ul style="list-style-type: none"> <li>• Facilitating integration of renewable and low-carbon energy in the region</li> <li>• Expanding natural gas capacity</li> <li>• Actions to reach our goal to be carbon neutral in our operations by 2030</li> </ul>	<ul style="list-style-type: none"> <li>• Entire company focus</li> <li>• Customers, service territory communities, investors, regulators, legislators</li> </ul>	7, 13

Innovation & Technology	<p>Transforming to the utility of the future by implementing emerging technologies</p> <ul style="list-style-type: none"> <li>• Grid modernization</li> <li>• Alternative fuel vehicles</li> <li>• Reliability</li> <li>• Process management systems</li> <li>• Customer engagement and energy management</li> </ul>	<ul style="list-style-type: none"> <li>• Entire company focus</li> <li>• Customers, service territory communities, regulators, legislators</li> </ul>	7, 9, 11, 13
Regulatory Policy	<p>Adhering to regulatory requirements and driving energy policy</p> <ul style="list-style-type: none"> <li>• Regulatory compliance</li> <li>• Project development and approval</li> <li>• Cost recovery</li> </ul>	<ul style="list-style-type: none"> <li>• Entire company focus</li> <li>• Customers, service territory communities, regulators, legislators</li> </ul>	9, 13
Reliability	<p>Delivering reliable energy</p> <ul style="list-style-type: none"> <li>• System hardening</li> <li>• Reliability and resiliency initiatives</li> <li>• Vegetation management</li> </ul>	<ul style="list-style-type: none"> <li>• Entire company focus</li> <li>• Customers, service territory communities, regulators, legislators</li> </ul>	7, 9, 15
Renewables	<p>Supporting renewable energy investments</p> <ul style="list-style-type: none"> <li>• Renewable power development and procurement</li> <li>• Transmission projects to bring cleaner energy to the region</li> <li>• System improvements to enable integration of renewable power</li> </ul>	<ul style="list-style-type: none"> <li>• Entire company focus</li> <li>• Customers, service territory communities, regulators, legislators</li> </ul>	7, 13
Safety	<p>Safety first and always</p> <ul style="list-style-type: none"> <li>• Employee, contractor and public safety</li> <li>• Electric and magnetic fields</li> </ul>	<ul style="list-style-type: none"> <li>• Entire company focus</li> <li>• Customers, service territory communities, regulators</li> </ul>	3, 8
Supply Chain	<p>Managing our supply chain</p> <ul style="list-style-type: none"> <li>• Supplier diversity</li> <li>• Supplier management systems</li> <li>• Material management processes</li> </ul>	<ul style="list-style-type: none"> <li>• Entire company focus</li> <li>• Service territory communities</li> <li>• Select external stakeholder groups</li> </ul>	5, 8, 12
Water	<p>Maintaining water quality and availability</p> <ul style="list-style-type: none"> <li>• Water conservation</li> <li>• Maintaining water quality</li> <li>• Reservoir dam infrastructure</li> </ul>	<ul style="list-style-type: none"> <li>• Aquarion focus</li> <li>• Customers, service territory communities, regulators, legislators</li> </ul>	6, 9
Workforce Development & Employee Engagement	<p>Maintaining an engaged and skilled workforce</p> <ul style="list-style-type: none"> <li>• Attract and retain high-quality employees</li> <li>• Employee training and development programs</li> <li>• Succession planning</li> <li>• Labor relations</li> </ul>	<ul style="list-style-type: none"> <li>• Entire company focus</li> <li>• Service territory communities</li> <li>• Select external stakeholder groups</li> </ul>	3, 4, 5, 8

*The use of the term "materiality" in this report differs from financial materiality, which is a term that describes matters or facts that would have a substantial likelihood to be deemed important to a reasonable investor making an investment decision.*