Eversource Energy - Water Security 2021

W0. Introduction

W0.1

(W0.1) Give a general description of and introduction to your organization.

Eversource Energy (NYSE: ES) operates New England's largest energy delivery system. Eversource is committed to safety, reliability, environmental leadership and stewardship for its 4.3 million electric, natural gas and water customers in Connecticut, Massachusetts and New Hampshire. Sustainability is an integral part of Eversource's operations and strategy. Eversource is a public utility holding company. Its utility subsidiaries are The Connecticut Light and Power Company, NSTAR Electric Company, Public Service Company of New Hampshire, NSTAR Gas Company, Eversource Gas Company of Massachusetts, Yankee Gas Company and Aquarion Water Company (Aquarion). Eversource is engaged primarily in the energy and water delivery business. Our natural gas subsidiaries serve industrial, commercial and residential customers. Our electric utilities are primarily involved in the transmission and distribution of electricity and serve industrial, commercial and residential customers. As we do not own generation aside from 70 MW of solar, we do not utilize water for generation activities, rather our water use is focused on Aquarion and our facility use. Aquarion provides water services to approximately 216,000 residential, commercial, industrial, municipal and fire protection and other customers, in 57 towns and cities in Connecticut, Massachusetts and New Hampshire, with approximately 93% of Aquarion's customers based in Connecticut.

Aquarion obtains their water supplies from owned surface water sources (reservoirs) and groundwater supplies (wells) with a total supply yield of approximately 118 million gallons per day, as well as water purchased from other water suppliers. Approximately 99% of our annual production is self-supplied and processed at nine surface water treatment plants and numerous well stations, which are all located in Connecticut, Massachusetts, and New Hampshire.

The capacities of Aquarion's sources of supply, and water treatment, pumping and distribution facilities, are considered sufficient to meet the present requirements of Aquarion's customers under normal conditions. On occasion, drought declarations are issued for portions of Aquarion's service territories in response to extended periods of dry weather conditions.

Aquarion's properties consist of water transmission and distribution mains and associated valves, hydrants and service lines, water treatment plants, pumping facilities, wells, tanks, meters, dams, reservoirs, buildings, and other facilities and equipment used for the operation of our systems, including the collection, treatment, storage, and distribution of water.

Eversource is committed to the protection of water resources through conservation, water quality management and water saving technologies.

• Our water delivery subsidiary, Aquarion Company, administers conservation programs to ensure that local water supplies remain sufficient for critical needs such as human consumption and fire protection. Long-range initiatives are underway to ensure the reliability of our sources of supply into the future.

• Aquarion's reservoirs are surrounded by more than 15,000 acres of forest, which serve as both a critical safeguard and an invaluable resource. This commitment to providing the highest quality water is evidenced by actions such as the acquisition of a conservation easement in Connecticut and additional property in New Hampshire in order to increase the amount of area protected for drinking water supply.

• We conduct site inspections and monitor land use activities and water quality at locations throughout our watershed and aquifer areas.

With climate change as one of the greatest challenges facing the globe, we know timely action and innovative solutions are vitally important. 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.

Safe Harbor Statement: References and forward-looking statements in this CDP Water Security Questionnaire including discussions of risks and opportunities are based on our best assessments and expectations related to Eversource's current and future performance related to climate-change. The responses to questions in this filing should not be given undue reliance pursuant to the terms described in Eversource's Safe Harbor Statement Under the Private Securities Litigation Reform Act of 1995 provided in our 2020 Annual Report on Form 10-K.

W-EU0.1a

(W-EU0.1a) Which activities in the electric utilities sector does your organization engage in?

Electricity generation
Transmission
Distribution

While Eversource operates New England's largest energy delivery system through its electric and natural gas services, the most significant impacts to the Company's water footprint come from its water utility subsidiary, Aquarion Water Company (AWC). This is particularly true since Eversource divested in all fossil-fuel based generation as of 2018. 99% of water withdrawal and use is associated with the water utility business.

W-EU0.1b

(W-EU0.1b) For your electricity generation activities, provide details of your nameplate capacity and the generation for each technology.

	Nameplate capacity (MW)	% of total nameplate capacity	Gross electricity generation (GWh)
Coal – hard	0	0	0
Lignite	0	0	0
Oil	0	0	0
Gas	0	0	0
Biomass	0	0	0
Waste (non-biomass)	0	0	0
Nuclear	0	0	0
Fossil-fuel plants fitted with carbon capture and storage	0	0	0
Geothermal	0	0	0
Hydropower	0	0	0
Wind	0	0	0
Solar	70	100	83
Marine	0	0	0
Other renewable	0	0	0
Other non-renewable	0	0	0
Total	70	100	83

W0.2

(W0.2) State the start and end date of the year for which you are reporting data.

	Start date	End date
Reporting year	January 1 2020	December 31 2020

W0.3

(W0.3) Select the countries/areas for which you will be supplying data.

United States of America

W0.4

(W0.4) Select the currency used for all financial information disclosed throughout your response.

USD

W0.5

(W0.5) Select the option that best describes the reporting boundary for companies, entities, or groups for which water impacts on your business are being reported.

Companies, entities or groups over which operational control is exercised

W0.6

(W0.6) Within this boundary, are there any geographies, facilities, water aspects, or other exclusions from your disclosure?

Yes

W0.6a

(W0.6a) Please report the exclusions.

Exclusion	Please explain
Aquarion data related to our contract operations and nonregulated business is excluded.	This consists of one contract to run a wastewater treatment plant for New Hartford, CT which is owned by the municipality and an unregulated business, Safety Valve, that sells service line protection plans (insurance) and fixes service line leaks/breaks for their customers. We have excluded this contract operation from our CDP disclosure because it does not represent a significant portion of the total water we use.
Potable water use at locations with low occupancy such as Eversource substations and gate stations is not included in this disclosure.	While the contribution of potable water at our low-occupancy locations is not believed to be significant to our overall water footprint, we are in the process of refining our tracking methods for this water use and intend to include related data in future disclosures.

W1. Current state

W1.1

(W1.1) Rate the importance (current and future) of water quality and water quantity to the success of your business.

	Direct use importance rating	Indirect use importance rating	Please explain
Sufficient amounts of good quality freshwater available for use	Vital	Vital	Direct Use: ES/AWC relies on good quality surface water and groundwater in sufficient volume in order to provide treated potable water to its customers. Indirect Use: Aquarion relies on the availability of third-party wholesale water in certain locations to supplement the distribution to our customers. Customers: the availability of good quality freshwater, for our direct and indirect uses specified above, is vital to our customers. Aquarion continues to encourage conservation of resources and to pursue alternatives to the use of treated potable water for industrial uses such as equipment cooling. As a drinking water utility, sufficient amounts of good quality freshwater will remain vital for both direct and indirect uses to Aquarion's business.
Sufficient amounts of recycled, brackish and/or produced water available for use	Important	Not important at all	Direct Use: ES/AWC relies on its own internally recycled water at various facilities. Sources of recycled water include surface water treatment processes, filter backwash, and online analyzer effluent. The water recycled from these processes makes up approximately 5.5% of the treated water that we distribute to our customers and results in an equivalent reduction in the volume of withdrawal required from our raw water sources. Retaining this supply of recycled water will remain important to Aquarion's business, for the purposes specified above. Indirect Use: Aquarion does not indirectly rely on recycled, brackish or produced water. Future dependence on recycled water from our internal processes is likely to remain important for Aquarion for conservation of natural resources and efficient use of the raw water supply.

W1.2

(W1.2) Across all your operations, what proportion of the following water aspects are regularly measured and monitored?

	% of sites/facilities/operations	Please explain
Water withdrawals – total volumes	76-99	For the Eversource drinking water subsidiary, Aquarion Water Company, the volume of water withdrawn from reservoirs and wells is measured on a continuous basis with the flow meters connected electronically to our data management system. Daily data is available. Month-end data verification steps are in place to support monthly and annual reporting. Withdrawal volumes are reported annually to state regulatory authorities and for diversion reporting, where required. The water withdrawn for other Eversource locations is quantified for all major and regularly occupied facilities and operations. The total withdrawal volumes are also reported in the annual 2020 Eversource Sustainability Report (pg. 62).
Water withdrawals – volumes by source	76-99	The volumes of water withdrawn from the Aquarion Water Company reservoirs and wells are measured on a constant basis with the meters connected electronically to our data management systems. Withdrawal volumes are reported annually in a water quality report prepared for each distribution system. The water withdrawn for Eversource's other major and regularly occupied facilities and operations is predominantly municipal water for typical potable uses. Additionally, the total withdrawal volumes are reported annually (see the 2020 Eversource Sustainability Report (pg. 62)).
Entrained water associated with your metals & mining sector activities - total volumes [only metals and mining sector]	<Not Applicable>	<Not Applicable>
Produced water associated with your oil & gas sector activities - total volumes [only oil and gas sector]	<Not Applicable>	<Not Applicable>
Water withdrawals quality	100%	The quality of all Aquarion Water Company water withdrawals is measured on a continuous basis at our production well sites and treatment plants. Basic parameters (pH, turbidity, Chlorine) are monitored using in-line instrumentation which transmit the data to our electronic data management systems. Additionally, our source waters are monitored through frequent sample collection and analysis in certified laboratories for a suite of parameters in order to optimize treatment and ensure compliance. Throughout the treatment process, in-line instrumentation is continuously monitoring water quality with feedback into a Corporate management system that alerts operators to treatment upsets. Treated water quality is reported publicly in an annual water quality report prepared for each distribution system. Water Quality reports are available at www.aquarionwater.com/water-quality/water-quality-reports Water Quality reports available at: www.aquarionwater.com/water-quality/water-quality-reports
Water discharges – total volumes	76-99	The total volume of discharges for Aquarion Water Company includes directly measured flows from facilities, calculations based on tank and tanker truck volumes, and estimations from the discharge of water through tank draining, water main flushing, and water quality analytical equipment. Measurement is on a continuous basis whereflow meters are connected electronically to our data management system and other calculated volumes are entered into the system periodically.
Water discharges – volumes by destination	76-99	For Aquarion Water Company, the volume of water discharged from the well stations, pump stations and treatment facilities is tracked by the discharge location and is measured.Discharge volumes are reported periodically to state regulatory authorities, where required.
Water discharges – volumes by treatment method	76-99	The majority of Aquarion Water Company discharges require little to no treatment. These discharges include inline analyzer water (of potable drinking water quality) that is directed to the groundwater or ground surface. Total discharge volume is calculated from most sources including tank and tanker truck volumes, and estimations from the discharge of water through tank draining, water main flushing, and water quality analytical equipment. Measurement is with the flow meters connected electronically to our data management system and other calculated volumes are entered into the system.
Water discharge quality – by standard effluent parameters	76-99	For Aquarion Water Company, the quality of water discharged from the well stations, pump stations and treatment facilities is analyzed through in-line instrumentation, and/or periodic grab samples collected at the prescribed frequency, and analyzed for discharge parameters as required by permit or regulation. Results of these analyses are reported in compliance with applicable permits and regulations.
Water discharge quality – temperature	1-25	Temperature is monitored at Aquarion Water Company surface water treatment locations; however, except for a small number of emergency generators that utilize water for cooling, the discharges are at ambient temperature and monitoring for temperature is not required by permit or regulation.
Water consumption – total volume	76-99	For Aquarion Water Company, the majority of our consumed water volume is measured on a continuous basis with flow meters. Meters are read on a periodic basis and entered into our electronic systems.
Water recycled/reused	76-99	For Aquarion Water Company, the volume of recycled/reused water is measured on a continuous basis with the flow meters connected electronically to our data management system. Daily data is available. Month-end data verification steps are in place to support monthly and annual reporting.
The provision of fully-functioning, safely managed WASH services to all workers	100%	The provision of fully functioning and safely managed WASH services to all workers is monitored through at a minimum of annual audits at office buildings and at the drinking water treatment sites, in accordance with the health & safety policies implemented across the company. For the Eversource drinking water subsidiary, Aquarion Water Company, many of the locations utilize portable WASH facilities, due to their location away from buildings. The use of portable WASH facilities was increased during 2020 due to COVID.

W1.2b

(W1.2b) What are the total volumes of water withdrawn, discharged, and consumed across all your operations, and how do these volumes compare to the previous reporting year?

	Volume (megaliters/year)	Comparison with previous reporting year	Please explain
Total withdrawals	121161	About the same	99% of the water withdrawn for Eversource is for the purposes of Aquarion's water distribution. These withdrawals are sourced from surface water reservoirs, groundwater from production wells, and the purchase of third-party water from similar water utilities. Due to consistent demand levels, our total withdrawals have remained similar to the previous reporting year.
Total discharges	31194.92	About the same	For Aquarion, the total discharges are composed of discharges of water treatment wastewaters from our surface water treatment plants, inline instrumentation, tank draining, and discharge from remedial intercept wells. Additionally, Aquarion measures “Non-Revenue Water,” which represents water that is discharged from our distribution system without flowing through a customer meter. These discharges include leaks throughout the water systems and the company is actively pursuing the reduction of Non-Revenue Water by utilizing resources to identify the locations of underground leaks and make repairs or upgrades. Due to consistent demand levels, our total discharges have remained similar to the previous reporting year.
Total consumption	88.68	About the same	Water consumption represents the water used by our occupied facilities that do not treat and distribute water for the Aquarion business. Due to consistent operational conditions, our total consumption remained similar to the previous reporting year.

W1.2d

(W1.2d) Indicate whether water is withdrawn from areas with water stress and provide the proportion.

	Withdrawals are from areas with water stress	% withdrawn from areas with water stress	Comparison with previous reporting year	Identification tool	Please explain
Row 1	Yes	1-10	About the same	WRI Aqueduct	In July 2021, we used the Aqueduct online tool provided by the World Resources Institute to evaluate our operating locations in relation to the tool's indicators of water stress levels. The results indicate that the majority of the operating geography of Eversource's subsidiary, Aquarion Water Company, are located within areas of "Low" or "Low to Medium" water stress. Aquarion does have facilities located in central Massachusetts and southeastern Connecticut, in areas with "medium to high" water stress. No facilities are located in areas with "High" or greater water stress.

W1.2h

(W1.2h) Provide total water withdrawal data by source.

	Relevance	Volume (megaliters/year)	Comparison with previous reporting year	Please explain
Fresh surface water, including rainwater, water from wetlands, rivers, and lakes	Relevant	98477.94	About the same	The Eversource drinking water subsidiary, Aquarion Water Company, operates reservoirs in Connecticut, New York and Massachusetts (Massachusetts in the first half of 2020 only). This source is relevant because Aquarion withdraws fresh surface water from the reservoirs for treatment and subsequent distribution for drinking and other potable uses. Aquarion's withdrawals are operated to meet the needs of the utility's customers.
Brackish surface water/Seawater	Not relevant	<Not Applicable>	<Not Applicable>	This source is not relevant because Eversource does not withdraw brackish surface water or seawater in its operations.
Groundwater – renewable	Relevant	20785.71	About the same	The Eversource drinking water subsidiary, Aquarion Water Company, operates potable water utility systems throughout the States of Connecticut, Massachusetts, and New Hampshire. This source is relevant because Aquarion withdraws renewable groundwater from its wells for treatment and subsequent distribution for drinking and other potable uses. Aquarion's withdrawals are operated to meet the needs of the utility's customers.
Groundwater – non-renewable	Not relevant	<Not Applicable>	<Not Applicable>	This source is not relevant because Eversource does not withdraw non-renewable groundwater in its operations.
Produced/Entrained water	Not relevant	<Not Applicable>	<Not Applicable>	This source is not relevant because Eversource does not utilize produced water or entrained water in its operations.
Third party sources	Relevant	1896.86	Lower	The Eversource drinking water subsidiary, Aquarion Water Company, operates potable water utility systems throughout the States of Connecticut, Massachusetts, and New Hampshire. This source is relevant because Aquarion purchases third-party water from other water utilities in order to supplement the potable water supply for subsequent distribution to our customers. Aquarion's total withdrawals are fairly consistent annually and are operated to meet the needs of the utility's customers; however, our withdrawals from third-party sources were lower due to the divestiture of a water system that relied on purchased water within the reporting year.

W1.2i

(W1.2i) Provide total water discharge data by destination.

	Relevance	Volume (megaliters/year)	Comparison with previous reporting year	Please explain
Fresh surface water	Relevant	280.14	About the same	The Eversource drinking water subsidiary, Aquarion Water Company, operates discharges to fresh surface water. These discharges are comprised of potable water from in line instrumentation, treated filter backwash, and raw groundwater from intercept wells containing salt impacts. Discharges are monitored and sampled in compliance with applicable permits and regulations. The volume has remained steady as these processes have not recently changed. Future discharges may increase due to acquisitions.
Brackish surface water/seawater	Relevant but volume unknown	<Not Applicable>	<Not Applicable>	The Eversource drinking water subsidiary, Aquarion Water Company, does not have any known discharges to brackish surface water or seawater.
Groundwater	Relevant	18978.12	About the same	The Eversource drinking water subsidiary, Aquarion Water Company, operates discharges to groundwater. These discharges are primarily comprised of potable water from in line instrumentation, and filter backwash directed to lagoon drying beds and underground infiltration structures. Discharges are monitored and sampled in compliance with applicable permits and regulations. The volume has remained steady as these processes have not recently changed. Future discharges may increase due to acquisitions.
Third-party destinations	Relevant	72.83	About the same	The Eversource drinking water subsidiary, Aquarion Water Company, operates discharges to third-party destinations. These discharges are comprised of in-line instrumentation and filter backwash. Discharges are monitored and sampled in compliance with applicable permits and regulations. The volume has remained steady as these processes have not recently changed. Future discharges are likely to decrease due to improvements currently under construction at the Aquarion Stamford Treatment Plant to recycle filter backwash water.

W1.2j

(W1.2j) Within your direct operations, indicate the highest level(s) to which you treat your discharge.

	Relevance of treatment level to discharge	Volume (megaliters/year)	Comparison of treated volume with previous reporting year	% of your sites/facilities/operations this volume applies to	Please explain
Tertiary treatment	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	The Eversource drinking water subsidiary, Aquarion Water Company, does not operate discharges requiring tertiary treatment.
Secondary treatment	Relevant	7.57	About the same	1-10	The Eversource drinking water subsidiary, Aquarion Water Company, operates discharges requiring secondary treatment. These discharges are generally characterized as finished potable water requiring chlorine removal before discharging to the environment. This volume is estimated.
Primary treatment only	Relevant	23.26	About the same	1-10	The Eversource drinking water subsidiary, Aquarion Water Company, operates discharges requiring only primary treatment. These discharges are generally characterized as filter backwash that is dewatered in open lagoons and drying beds, in accordance with regulations and/or permits promulgated by state environmental regulators.
Discharge to the natural environment without treatment	Relevant	19227.43	About the same	61-70	The Eversource drinking water subsidiary, Aquarion Water Company, operates discharges that do not require treatment before discharge. These discharges are generally characterized as finished potable water and filter backwash discharged primarily to the ground surface for infiltration or to underground infiltration structures. The majority of this discharge is comprised of non-revenue water including leaks throughout the systems.
Discharge to a third party without treatment	Relevant	72.83	About the same	1-10	The Eversource drinking water subsidiary, Aquarion Water Company, operates discharges to third-parties (sanitary sewer). These discharges are generally characterized as water treatment waste water and sanitary wastes.
Other	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	Not relevant

W-EU1.3

(W-EU1.3) Do you calculate water intensity for your electricity generation activities?

No, and we have no plans to do so in the next two years

W1.4

(W1.4) Do you engage with your value chain on water-related issues?

Yes, our suppliers

Yes, our customers or other value chain partners

W1.4a

(W1.4a) What proportion of suppliers do you request to report on their water use, risks and/or management information and what proportion of your procurement spend does this represent?

Row 1

% of suppliers by number

76-100

% of total procurement spend

76-100

Rationale for this coverage

Eversource is committed to sustainability in our supply chain and recognizes the importance of ethical behavior in both business relationships and in the workplace. Therefore, our supply chain sustainability program is focused on sharing our commitment to sustainability with all of 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. Our suppliers are incentivized to report by our shared commitment to manage resources ethically and sustainability, and potentially find efficiencies that can lead to costs savings. During our procurement process, all vendors are required to respond to a series of sustainability questions that score their ESG efforts including environmental initiatives or goals such as water conservation.

Impact of the engagement and measures of success

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. Supplier RFP ESG questions seek to identify environmental improvement opportunities, any environmental compliance violations, and whether they publicly report voluntary goals. Scores for all awarded vendors are tracked on an ongoing basis to monitor progress and ensure supplier compliance with laws and regulations. The program serves 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 tracking progress • Encourage conversations on sustainability opportunities in our supply chain Responses to questions asked of suppliers in RFP's can be found on page 66 of Eversource's 2020 Sustainability Report. Success is measured and reported by % of suppliers meeting our standards in each sustainability area summarized above.

Comment

W1.4b

(W1.4b) Provide details of any other water-related supplier engagement activity.

Type of engagement
Onboarding & compliance

Details of engagement
Inclusion of water stewardship and risk management in supplier selection mechanism

% of suppliers by number
76-100

% of total procurement spend
76-100

Rationale for the coverage of your engagement
As part of the sustainability questions included in Eversource's RFP process, suppliers are asked about their environmental compliance, which includes water-related matters. As they all play pivotal roles in our sustainability efforts, all of our suppliers are covered in this engagement. Once suppliers are selected and onboarded, we continue to engage vendors and expect strong environmental performance.

Impact of the engagement and measures of success
If a given vendor is found to be out of compliance with environmental regulations, including polices related to water, this would be considered grounds for pursuing corrective actions or potential termination of a contract depending on the severity of offense. Success is measured by compliance rates. By prioritizing this compliance, we have helped ensure that our entire supply chain meets our high standards for water stewardship.

Comment

W1.4c

(W1.4c) What is your organization's rationale and strategy for prioritizing engagements with customers or other partners in its value chain?

The drinking water utility, Aquarion Water Company, has prioritized customer engagement in conservation efforts as the most relevant aspect of value chain engagement. Our water withdrawal volume is directly linked to customer demands. Reducing customer demands reduces our withdrawal volume, which in turn improves the sustainability of the resource for customers and the natural environment; as well as improving the reliability of our infrastructure and reducing our carbon footprint. A nationally recognized conservation expert analyzed customer demands to assess opportunities for demand reductions. Our formal conservation program began in 2017 with a mandatory twice weekly irrigation schedule in towns with high seasonal usage. Decoupled rates in Connecticut, home to 93% of our customer base, allows us to pursue this important sustainability initiative and be stewards of the resource without eroding revenue. The initial twice-weekly irrigation program established a goal of saving 360 million gallons annually (compared to a baseline of the 5-year average production prior to the implementation of the program). Success is measured in relation to this target. It has been met or exceeded each year. In 2020, the program included six towns. Over time, it will be expanded throughout Aquarion's service territory in Connecticut, with additional targets for water savings developed as the program is expanded. Achieving measurable results in our conservation programs is vital to ensure the sustainability of our water supply, the reliability and resilience of our infrastructure; reducing our carbon footprint; and our ability to mitigate the environmental impact of our water withdrawals (i.e., to allocate appropriate streamflow).

W2. Business impacts

W2.1

(W2.1) Has your organization experienced any detrimental water-related impacts?
Yes

W2.1a

(W2.1a) Describe the water-related detrimental impacts experienced by your organization, your response, and the total financial impact.

Country/Area & River basin

United States of America	Other, please specify (Housatonic River)

Type of impact driver & Primary impact driver

Physical	Pollution incident

Primary impact
Increased operating costs

Description of impact
Road salt storage at maintenance facility upgradient of drinking water production wells impacted groundwater resulting in challenges to provide drinking water of sufficient quality. This constituted a substantive financial and strategic impact, based on our criteria of being considered material to the Company including the ability to conduct normal operations, serve customers and deliver value to shareholders.

Primary response
Other, please specify (Implemented remedial intercept well-pumping activities)

Total financial impact
100000

Description of response
The response to the salt impacts was to operate two (2) intercept wells to pump the salt impacted water and discharge to the nearby major River. This strategy has been successful for several years in preventing significant salt from entering the production drinking water wells. Total cost is estimated from the operating costs (electricity use), sampling labor, laboratory analysis, and equipment maintenance/replacement for the past 11 years. Annual costs of approximately $ 9000.00 will continue indefinitely.

W2.2

(W2.2) In the reporting year, was your organization subject to any fines, enforcement orders, and/or other penalties for water-related regulatory violations?
Yes, fines, enforcement orders or other penalties but none that are considered as significant

W2.2a

(W2.2a) Provide the total number and financial value of all water-related fines.

Row 1

Total number of fines
1

Total value of fines
8625

% of total facilities/operations associated
1

Number of fines compared to previous reporting year
Much lower

Comment
The Massachusetts Department of Environmental Protection issued a Consent Order with fine related to a release of oil to the Neponset River in Boston/ Mattapan.

W3. Procedures

W-EU3.1

(W-EU3.1) How does your organization identify and classify potential water pollutants associated with your business activities in the electric utilities sector that could have a detrimental impact on water ecosystems or human health?

While Eversource operates New England's largest energy delivery system through its electric and natural gas services, the most significant impacts to the Company's water footprint come from its water utility subsidiary, Aquarion Water Company (AWC). This is particularly true since Eversource divested in all fossil-fuel based generation as of 2018. 99% of water withdrawal and use is associated with the water utility business. Therefore, the management of water pollutants associated with Eversource's electricity transmission and distribution is not applicable. However, water quality is extremely important to Aquarion and continuously monitored.

Water quality is assessed for all systems and potential acquisitions. Surface water supplies are tested upstream and in reservoir. Surface and groundwater sources are tested throughout the treatment process and in the distribution system to optimize treatment and assure conformance with treatment standards and limits. Periodic grab samples and inline analytical instrumentation are used. Raw water quality affects treatment costs and has a potential to result in treatment upsets, leading to reputational risks and/or adverse regulatory outcomes. Raw water quality may impact growth opportunities. Unregulated and emerging contaminants are monitored across all three states served by Aquarion Water. To conduct this monitoring, we collect water samples and send them to certified laboratories where they are analyzed for a variety of parameters using approved EPA sampling methods. In addition, we operate inline analytical equipment to monitor for a variety of parameters throughout the treatment process, using equipment that meets all applicable state and federal regulatory standards.

W-EU3.1a

(W-EU3.1a) Describe how your organization minimizes the adverse impacts of potential water pollutants associated with your activities in the electric utilities sector on water ecosystems or human health.

Potential water pollutant	Description of water pollutant and potential impacts	Management procedures	Please explain
Other, please specify	Eversource's electric business has the potential for adverse impacts related to water pollutants mainly in the form of spills associated with oiled filled equipment such as transformers and pipe-type cables. Such spills are typically the result of accidents caused by equipment impacts or damages caused by severe storm conditions.	Measures to prevent spillage, leaching, and leakages	In accordance with environmental regulations and best practices, Eversource manages all potential sources of spills with extreme care understanding that these substances could introduce pollutants to the surrounding environment and waterways. Preventative measures to avoid spills and response plans to contain and remediate spills when they occur are formally described in Company Policies and Procedures. Additionally, the Company retains dedicated hazardous waste vendors available 24/7 to support timely responses to spills when they occur. Success of spill prevention and response is measured and evaluated by total spills, and response times for any spills that occur.

W3.3

(W3.3) Does your organization undertake a water-related risk assessment?

Yes, water-related risks are assessed

W3.3a

(W3.3a) Select the options that best describe your procedures for identifying and assessing water-related risks.

Direct operations

Coverage
Full

Risk assessment procedure
Water risks are assessed as part of an enterprise risk management framework

Frequency of assessment
Annually

How far into the future are risks considered?
More than 6 years

Type of tools and methods used
Enterprise Risk Management

Tools and methods used
COSO Enterprise Risk Management Framework

Comment
Eversource uses a COSO Enterprise Risk Management framework for assessment of risks, which is designed to identify and describe risks in terms of their impact to the business. Strategic, reputational, operations, customer, financial, environmental, and safety risks are assessed in terms of the likelihood and consequence should the impact occur. An annual assessment exercise is performed and quarterly review meetings are held for risk owners to review and update the status, mitigation, and management of the risks.

Supply chain

Coverage
Partial

Risk assessment procedure
Water risks are assessed as part of an enterprise risk management framework

Frequency of assessment
Annually

How far into the future are risks considered?
More than 6 years

Type of tools and methods used
Enterprise Risk Management

Tools and methods used
COSO Enterprise Risk Management Framework

Comment
Eversource uses a COSO Enterprise Risk Management framework for assessment of risks, which is designed to identify and describe risks in terms of their impact to the business. Strategic, reputational, operations, customer, financial, environmental, and safety risks are assessed in terms of the likelihood and consequence should the impact occur. An annual assessment exercise is performed and quarterly review meetings are held for risk owners to review and update the status, mitigation, and management of the risks.

Other stages of the value chain

Coverage
None

Risk assessment procedure
<Not Applicable>

Frequency of assessment
<Not Applicable>

How far into the future are risks considered?
<Not Applicable>

Type of tools and methods used
<Not Applicable>

Tools and methods used
<Not Applicable>

Comment

W3.3b

(W3.3b) Which of the following contextual issues are considered in your organization's water-related risk assessments?

	Relevance & inclusion	Please explain
Water availability at a basin/catchment level	Relevant, always included	Because of water availability's centrality to our business operations, this issue is formally assessed in Aquarion's Risk Register, which is reviewed quarterly by senior management and risk owners and annually at the enterprise level. This risk register is used as part of our COSO-aligned company-wide enterprise risk management process to evaluate risks that impact our ability to achieve our long term business objectives. Adequacy of supply is evaluated using an internal Company method that is accepted by our Connecticut regulators. We compare available water to current, 5-, 20- and 50-year demand projections. This analysis is vital for public water system planning in order to meet regulatory and customer expectations, including not only domestic and commercial potable water supply, but also fire protection and preservation of stream flow. This analysis is completed for all systems, regardless of size, and linked with capital planning, conservation efforts, non-revenue water, as well as new source development and system interconnection opportunities where any result is less than 1.15.
Water quality at a basin/catchment level	Relevant, always included	Because of water availability's centrality to our business operations, this issue is formally assessed in Aquarion's Risk Register, which is reviewed quarterly by senior management and risk owners and annually at the enterprise level. This risk register is used as part of our COSO-aligned company-wide enterprise risk management process to evaluate risks that impact our ability to achieve our long term business objectives. Water quality is assessed for all systems and potential acquisitions. Surface water supplies are tested upstream and in reservoir. Surface and groundwater sources are tested throughout the treatment process and in the distribution system to optimize treatment and ensure conformance with treatment standards and limits. Periodic grab samples and inline analytical instrumentation are used. Raw water quality affects treatment costs and has a potential to result in treatment upsets, leading to reputational risks and/or adverse regulatory outcomes. Raw water quality may impact growth opportunities. Unregulated and emerging contaminants are monitored across all three states served by Aquarion Water. To conduct this monitoring, we collect water samples and send them to certified laboratories where they are analyzed for a variety of parameters using approved EPA sampling methods. In addition, we operate inline analytical equipment to monitor for a variety of parameters throughout the treatment process, using equipment that meets all applicable state and federal regulatory standards.
Stakeholder conflicts concerning water resources at a basin/catchment level	Relevant, always included	Because of water availability's centrality to our business operations, this issue is formally assessed in Aquarion's Risk Register, which is reviewed quarterly by senior management and risk owners and annually at the enterprise level. This risk register is used as part of our COSO-aligned company-wide enterprise risk management process to evaluate risks that impact our ability to achieve our long term business objectives. Increasing pressure from stakeholder groups has a potential to lead to loss of water rights and/or make it more difficult to implement proposed solutions to water supply problems and execute our capital plan. This risk is managed through active participation in industry and stakeholder groups, and assessed through regular dialogue with these key stakeholders to identify any key issues that we need to proactively manage.
Implications of water on your key commodities/raw materials	Relevant, always included	Because of water availability's centrality to our business operations, this issue is formally assessed in Aquarion's Risk Register, which is reviewed quarterly by senior management and risk owners and annually at the enterprise level. This risk register is used as part of our COSO-aligned company-wide enterprise risk management process to evaluate risks that impact our ability to achieve our long term business objectives.
Water-related regulatory frameworks	Relevant, always included	Because of water availability's centrality to our business operations, this issue is formally assessed in Aquarion's Risk Register which is reviewed quarterly by senior management and risk owners and annually at the enterprise level. This risk register is used as part of our COSO-aligned company-wide enterprise risk management process to evaluate risks that impact our ability to achieve our long-term business objectives. Failure to effectively participate in the legislative process could lead to erosion of income and reputation. We assess water-related regulatory risk by monitoring the applicable local, state and federal legislative agendas for regulatory requirements impacting our operations, and work with industry lobbyists to communicate with the public and legislators about impacts of proposed legislation on the water industry.
Status of ecosystems and habitats	Relevant, always included	This issue is formally addressed in Aquarion's Risk Register, which is reviewed quarterly by senior management and risk owners and annually at the enterprise level. Climate change and development threaten the watersheds and aquifers that are vital to raw water quality and quantity. Additionally, water withdrawals for our operations can impact the status of water-dependent ecosystems and habitats in the regions where we operate. To ensure that we are not creating detrimental impacts on these ecosystems and habitats, we assess our impacts on these environments and deploy measures to responsibly manage land as well as the aquifers upon which we depend. In partnership with the Connecticut Department of Environmental Protection and the Nature Conservancy, we maintain forested areas that prevent erosion, shield critical habitat, help retain moisture, filter runoff and keep streams pristine. Aquarion's 15,000 acres of forest are home to millions of trees that help clean the air and moderate the climate while providing thriving ecosystems for a diverse range of plants and wildlife.
Access to fully-functioning, safely managed WASH services for all employees	Not relevant, explanation provided	As appropriate and necessary, all of our facilities include access to Water, Sanitation and Hygiene stations for our employees, and this is not considered a current or future risk to the business.
Other contextual issues, please specify	Not considered	

W3.3c

(W3.3c) Which of the following stakeholders are considered in your organization's water-related risk assessments?

	Relevance & inclusion	Please explain
Customers	Relevant, always included	Aquarion Water Company communicates with our customers as key to achieving our sustainability initiatives and being responsible stewards of water resources in the states we serve. Eliminating wasteful water use (reducing customer demands) allows us to reduce our carbon footprint, manage both expense and capital investment costs (which impacts affordability), and reduce withdrawals, which benefits the natural environment. We use bill inserts and inserts, our website, print, radio and television advertising, and social media in order to educate and inform customers on water quality issues, conservation initiatives, and the value of water. Water quality, value of water, and conservation messaging is directed to all customers. High users receive direct mailings with specific conservation content. Customers in towns where twice-weekly irrigation restrictions are in place receive direct mail and advertising targeting those towns.
Employees	Relevant, always included	Engaged, well-trained and knowledgeable employees are vital to meeting short- and long- term business objectives. Diversity and inclusion, training, safety, business continuity and labor relations are included in our annual risk assessment. Key performance indicators, which are monitored on a monthly basis, exist for many of these in order to assure focus on recruiting, retaining, and training staff in order to assure the sustainability of the workforce needed to run the water business. Aquarion engages with employees through daily company news updates on the company intranet; weekly video messages from the President on timely topics; robust safety programs that include formal training as well as informal tailgates, field visits, and peer-to-peer assessments; and annual small group meetings with the Company President.
Investors	Relevant, always included	Eversource considers shareholders' perspectives in our ESG risk assessments. We also actively engage with investors on our ESG efforts.
Local communities	Relevant, always included	Increasing pressure from local communities has a potential to lead to loss of water rights and/or make it more difficult to implement proposed solutions to water supply problems and execute our capital plan. This risk is managed through active participation in industry and stakeholder groups, communication with local and town governments, and assessed through regular dialogue with these key stakeholders to identify any key issues that we need to proactively manage.
NGOs	Relevant, sometimes included	Increasing pressure from stakeholder groups has a potential to lead to loss of water rights and/or make it more difficult to implement proposed solutions to water supply problems and execute our capital plan. This risk is managed through active participation in industry and stakeholder groups, and assessed through regular dialogue with these key stakeholders to identify any key issues that we need to proactively manage.
Other water users at a basin/catchment level	Relevant, sometimes included	As part of Eversource's water utility business, Aquarion Water Company, we actively engage and consider the interests of our local stakeholders in our assessments of water related risks.
Regulators	Relevant, always included	Inability to meet our regulators' expectations regarding water quality, service, planning, resilience, affordability, etc. can lead to reputational damage, adverse regulatory outcomes and financial penalties. We include goals and targets for all aspects of the business in our planning processes and have key performance indicators and initiatives that are tracked and reported to senior leadership at Aquarion and Eversource.
River basin management authorities	Relevant, sometimes included	As part of Eversource's water utility business, Aquarion Water Company, we actively engage and consider the interests of our local stakeholders in our assessments of water related risks.
Statutory special interest groups at a local level	Relevant, sometimes included	As part of Eversource's water utility business, Aquarion Water Company, we actively engage and consider the interests of our local stakeholders in our assessments of water related risks.
Suppliers	Relevant, always included	Vendor management is identified in Eversource's COSO Risk Management framework. Lack of vendor management poses a risk to the business in terms of contract compliance, cost containment, quality of work, meeting stakeholder expectations, physical and IT security, safety, business continuity, and material availability. We engage with our critical vendors through our formal supplier relationship management process. This process includes regular touchpoints with the vendor's management, evaluation through outside rating agencies, both financial and safety, and formal monitoring of both physical and electronic access.
Water utilities at a local level	Relevant, always included	Aquarion Water Company engages with other water utilities in the region through our participation and leadership in a number of organizations. In particular, the Connecticut Section of American Water Works Association, the Connecticut Water Works Association, and the Connecticut Water Utility Coordinating Committees. CTAWWA, where we maintain a presence on the governing board and at the committee level, works to provide relevant educational and training opportunities to industry personnel each year. CWWA is a water industry advocacy group that monitors pending legislations. The WUCCs are regional organizations tasked with the development and management of coordinated water system plans for each management area. The plans include identifying exclusive service areas for each water utility and outlines opportunities for interconnections that build regional resiliency and minimize impacts of drought and climate change. These engagements are vital to understanding, participating in, and guiding local, regional, and state planning and regulatory efforts. On a practical level, we engage with neighboring water utilities to negotiate both the purchase and sale of water through interconnectins that provide resiliency to the regional water system.
Other stakeholder, please specify	Not considered	As part of Eversource's water utility business, Aquarion Water Company, we actively engage and consider the interests of our local stakeholders in our assessments of water related risks.

W3.3d

(W3.3d) Describe your organization's process for identifying, assessing, and responding to water-related risks within your direct operations and other stages of your value chain.

Eversource's Board of Trustees oversees the Company's comprehensive operating and strategic planning. The operating plan, which is reviewed and formally approved by the Board in February following review by the Finance Committee, consists of the goals and objectives for the year, key performance indicators, and financial forecasts. The strategic planning process consists of long-term corporate objectives, specific strategies to achieve those goals, and plans designed to implement each strategy. Substantive financial and strategic impacts are those considered material to the Company including the ability to conduct normal operations, serve customers and deliver value to shareholders. Our COSO-aligned Enterprise Risk Management (ERM) program is integrated with the annual operating and strategic planning processes to identify the key financial risks associated with the plan. These financial risks are presented to the Board of Trustees as part of the annual operating plan as well as the Board's annual strategic planning session.

The Finance Committee is responsible for oversight of the Company's ERM program and enterprise-wide risks, as well as specific risks associated with insurance, credit, financing and pension investments. Our ERM program involves the application of a well-defined, enterprise-wide methodology designed to allow our executives to quantify, 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 to ensure appropriate coverage of risks that could have substantive financial or strategic impact to the Company. In 2020, the Company initiated an investigation of available options to transfer risk related to the increase in frequency and severity of storms due to climate change. The top enterprise-wide and business level risks are identified using a comprehensive cross functional analysis working with key officers and employees of each organization within the Company and are monitored throughout the year by the Company's Risk Committee. Climate change is considered a risk accelerator and driver of many of our top enterprise risks which have formal, actionable mitigation plans associated with them including the risk of rising water levels.

In addition to known risks, the program identifies emerging risks through participation in industry groups, discussions with management, and in consultation with outside advisers. Our management then analyzes the 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 and the current environment to identify risks.

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. In addition to the regularly scheduled reports by ERM of all of the company's enterprise-wide risks and the results of the ERM program, management reports periodically to both the Audit and Finance Committees in depth on specific top enterprise risks at the Company, including reporting on how these issues are being measured and managed. ERM also reports regularly to the Finance Committee on the activities of the Company's Risk Committee, which consists of senior officers and is responsible for ensuring that the Company is managing its principal enterprise-wide risks, as well as other key risk areas such as operations, environmental, information technology, compliance and business continuity. Through this process, we use the outcomes of the risk assessment to inform our Company decision-making process.

W4. Risks and opportunities

W4.1

(W4.1) Have you identified any inherent water-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes, only within our direct operations

W4.1a

(W4.1a) How does your organization define substantive financial or strategic impact on your business?

The Enterprise Risk Management process considers both likelihood and impact on a 1-5 scale. Considerations for impact include financial, strategic, reputation, operational, customers and environment/safety. Financial impacts are considered against the annual budget and earnings per share guidance provided to the investing community. Strategic impacts are considered a major delay or inability to execute a strategic objective. Substantive impacts would be considered a 4-5 rating on our 5-point scale. We evaluate substantive risks related to water each year both at our subsidiary level and the Eversource enterprise level for our direct operations only. Some examples of substantive water risks include a dam breach, a significant water quality issue, water scarcity, changing regulatory environment, reputation/brand damage, cyber or physical attack on our infrastructure as well as the risk of flood or other severe weather.

W4.1b

(W4.1b) What is the total number of facilities exposed to water risks with the potential to have a substantive financial or strategic impact on your business, and what proportion of your company-wide facilities does this represent?

	Total number of facilities exposed to water risk	% company-wide facilities this represents	Comment
Row 1	500	26-50	Our subsidiary water business is exposed to substantive risk.

W4.1c

(W4.1c) By river basin, what is the number and proportion of facilities exposed to water risks that could have a substantive financial or strategic impact on your business, and what is the potential business impact associated with those facilities?

Country/Area & River basin
Please select

Number of facilities exposed to water risk

% company-wide facilities this represents
Please select

Production value for the metals & mining activities associated with these facilities
<Not Applicable>

% company's annual electricity generation that could be affected by these facilities
Please select

% company's global oil & gas production volume that could be affected by these facilities
<Not Applicable>

% company's total global revenue that could be affected
Please select

Comment
We evaluate substantive risks related to climate change including water risks associated with our Aquarion Water Company business each year. Substantive financial and strategic impacts are those considered material to the Company including the ability to conduct normal operations, serve customers and deliver value to shareholders.

W4.2

(W4.2) Provide details of identified risks in your direct operations with the potential to have a substantive financial or strategic impact on your business, and your response to those risks.

Country/Area & River basin

United States of America	Other, please specify (Aquarion Water Company of Connecticut)

Type of risk & Primary risk driver

Physical	Increased water scarcity

Primary potential impact
Constraint to growth

Company-specific description
The physical risk of increased water scarcity is a more serious potential risk to our Aquarion Water Company of Connecticut operations based on its size (93% of our water customer base), the fact that New Hampshire and Massachusetts rely solely on groundwater sources, and location of its service territory in affluent areas. Aquarion Water Company of Connecticut owns and operates numerous dams for the purpose of public water supply, in addition to groundwater sources. Surface water supplies account for the majority of the available water and are under stress from a variety of factors. Those factors include changing customer habits and demand patterns – specifically using excessive amounts of water for outdoor landscaping uses for a longer duration each year (from spring through fall); climate change increases the likelihood of rainfall patterns and average temperature that deviate from historic norms resulting in both an increased demand for water and an inability to sustain adequate supplies in our reservoirs through the summer months. In addition, streamflow regulation in Connecticut is mandating an increased volume of releases from Aquarion's dams to the downstream receiving water bodies. These releases will further adversely affect (decrease) the amount of storage held in Aquarion's reservoirs throughout the year. The combination of factors may cause an increased likelihood of drought emergencies, water use restrictions, and reputational/brand damage and impact our ability to grow our water business.

Timeframe
4-6 years

Magnitude of potential impact
Medium-low

Likelihood
Likely

Are you able to provide a potential financial impact figure?
No, we do not have this figure

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure - minimum (currency)
<Not Applicable>

Potential financial impact figure - maximum (currency)
<Not Applicable>

Explanation of financial impact
The impact has not been quantified financially

Primary response to risk
Increase capital expenditure

Description of response
Aquarion Water Company of Connecticut supports the public policy goal to improve river and stream habitats by improving flows in water courses for fisheries and natural habitats that are adversely impacted by impoundments through the implementation of the stream flow release requirements. As a public water supplier, we need to balance this regulatory imperative with our public service obligation to provide potable water and fire protection to our customers. Aquarion is investing in the infrastructure needed to control and meter flows (to release the water from our dams in a controlled manner) to meet this regulatory requirement in the timeframe required. We have successfully worked with our regulators to decouple water rates so that we can effectively pursue water conservation initiatives. We are communicating with all customers about water conservation and in some areas have implemented twice-weekly watering schedules with numeric targets for water savings. Plans are underway to expand this program. We have submitted an application to state regulators to increase our permitted inter-basin transfers and we are investing up to $180M to increase the capacity of our distribution system to move water between basins. We have committed to be carbon neutral by 2030 as a means to lead the change needed to mitigate the potential severity of climate change impacts in our region. By being stewards of water resources we strive to meet customer, regulator, and investor expectations and grow our water business.

Cost of response
180000000

Explanation of cost of response
The cost is estimated as all improvements have not been designed or completed. This would take into account transmission main and pumping improvements needed to increase the capacity of our distribution system to transfer water between basins. We are also investing the needed capital in modifications at multiple dams to ensure compliance with streamflow regluations; and we incur costs to implement our conservation programs.

W4.2c

(W4.2c) Why does your organization not consider itself exposed to water risks in its value chain (beyond direct operations) with the potential to have a substantive financial or strategic impact?

	Primary reason	Please explain
Row 1	Risks exist, but no substantive impact anticipated	Given Aquarion's position in the value chain, we believe the greatest risks to Eversource are associated with our direct operations for this business rather than risks to the value chain.

W4.3

(W4.3) Have you identified any water-related opportunities with the potential to have a substantive financial or strategic impact on your business?

Yes, we have identified opportunities, and some/all are being realized

W4.3a

(W4.3a) Provide details of opportunities currently being realized that could have a substantive financial or strategic impact on your business.

Type of opportunity

Markets

Primary water-related opportunity

Expansion into new markets

Company-specific description & strategy to realize opportunity

Eversource and Aquarion Water Company have a goal to expand the footprint of the water business. We actively pursue opportunities to meet with water utilities to discuss privatization and track leads, prospects and wins as a way to measure progress on this goal. We report our progress to both Aquarion and Eversource leadership. The water utility market is fragmented with large numbers of small systems and fewer opportunities to make significant acquisitions, which is our goal.

Estimated timeframe for realization

More than 6 years

Magnitude of potential financial impact

Low

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact

Given the size of Aquarion Water Company compared to the rest of Eversource, the financial impact in the near term is expected to be low.

W6. Governance

W6.1

(W6.1) Does your organization have a water policy?

Yes, we have a documented water policy that is publicly available

W6.1a

(W6.1a) Select the options that best describe the scope and content of your water policy.

	Scope	Content	Please explain
Row 1	Company-wide	Description of business dependency on water Description of business impact on water Company water targets and goals Commitments beyond regulatory compliance Commitment to stakeholder awareness and education Commitment to water stewardship and/or collective action Recognition of environmental linkages, for example, due to climate change	Our water policy is embedded in our relevant company environmental policies. Eversource has a company-wide Environmental Policy at https://www.eversource.com/content/docs/default-source/pdfs/environment-policy.pdf. This policy includes our overall qualitative water goal: "We are committed to ensuring water availability, water conservation and water quality through comprehensive programs." Specifically, the Eversource Environmental Policy encompasses: • Responsibility of employees and contractors to maintain compliance with environmental protection laws and regulations • Commitment to evaluating and reducing potential impacts of operations on the environment • Natural resource preservation and conservation • Commitment to ensuring water availability, water conservation and water quality through comprehensive programs Additionally, as a drinking water provider, we have a business-specific policy addressing Aquarion Water commitments at https://www.aquarionwater.com/environment. This Aquarion policy expresses our business's dependency on water, as the environmental resource that serves as the commodity we provide to our customers. As stated in the policy: "We recognize that environmental protection and the efficient use of resources are vital for sustaining our success because they enable us to continue providing valuable services to our customers and communities" including: • Implementing challenging standards where no regulations exist • Maintain the quality of drinking water • Sustainably managing lands and natural resources to protect and enhance water quality • Permitting public access where practical and consistent with water supply and natural resource management goals • Developing employee awareness of environmental issues and best practices • Fostering productive, responsive partnerships with environmental stakeholders • Playing an active role in the environmental community

W6.2

(W6.2) Is there board level oversight of water-related issues within your organization?

Yes

W6.2a

(W6.2a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for water-related issues.

Position of individual	Please explain
Chief Executive Officer (CEO)	Eversource's President and Chief Executive Officer has overall responsibility for managing the company's business strategy, including issues related to the environment and water security. This position reports to the Board of Trustees, which both as a whole and through its Committees is responsible for the oversight of the Company's risk management processes and programs, along with comprehensive operating and strategic planning and environmental matters such as those concerning water management.
Board-level committee	The Eversource Board of Trustees Finance Committee is responsible for oversight of Eversource's Enterprise Risk Management Program, which includes comprehensive practices to assess, monitor and mitigate risk exposures, including those related to water security. Additionally, the Governance, Environmental, and Social Responsibility Committee oversees the Company's ESG, sustainability, and social responsibility strategy, programs, policies, risks, and performance.

W6.2b

(W6.2b) Provide further details on the board's oversight of water-related issues.

	Frequency that water-related issues are a scheduled agenda item	Governance mechanisms into which water-related issues are integrated	Please explain
Row 1	Sporadic - as important matters arise	Reviewing and guiding risk management policies	Per p. 19 of our 2021 Proxy Statement, our Board held 9 meetings in 2020, and with Committees held a total of 26 meetings during which they reviewed and discussed performance reports, Company plans and prospects, and any immediate issues. The Board's Governance, Environmental and Social Responsibility Committee oversees sustainability strategy, programs, policies, risks, and performance. Our Enterprise Risk Management program is overseen by the Finance Committee. Management identifies and analyzes known and emerging risks, including those related to water security, to determine materiality, likelihood and impact, and develops mitigation strategies. The findings are discussed with the Finance Committee and full Board, including reporting on an individual risk-by-risk basis on how issues are being measured and managed. Pages 15-20 of our 2020 Annual Report identifies risk factors, including impacts from severe weather, regulatory compliance and water availability and quality. Our Board implements and monitors performance metrics while guiding strategy and major plans of action to mitigate the impact of climate change and pursue opportunities to strengthen our infrastructure. All Board Committee Chairs report to the Board following Committee meetings to discuss comprehensive operating and strategic planning, including long-term objectives, specific strategies to achieve goals, and plans to implement each strategy. The operating plan, consisting of goals and objectives for the year, key performance indicators and financial forecasts, was reviewed and approved by the Board in February 2020.

W6.3

(W6.3) Provide the highest management-level position(s) or committee(s) with responsibility for water-related issues (do not include the names of individuals).

Name of the position(s) and/or committee(s)
Chief Executive Officer (CEO)

Responsibility
Managing water-related risks and opportunities

Frequency of reporting to the board on water-related issues
Annually

Please explain
Eversource's President and Chief Executive Officer has overall responsibility for managing the company's business strategy, including issues related to the environment and water security. This position reports to the Board of Trustees, which both as a whole and through its Committees is responsible for the oversight of the Company's risk management processes and programs, along with comprehensive operating and strategic planning and environmental matters such as those concerning water management.

W6.4

(W6.4) Do you provide incentives to C-suite employees or board members for the management of water-related issues?

	Provide incentives for management of water-related issues	Comment
Row 1	No, and we do not plan to introduce them in the next two years	

W6.5

(W6.5) Do you engage in activities that could either directly or indirectly influence public policy on water through any of the following?
Yes, direct engagement with policy makers
Yes, trade associations
Yes, funding research organizations

W6.5a

(W6.5a) What processes do you have in place to ensure that all of your direct and indirect activities seeking to influence policy are consistent with your water policy/water commitments?

Corporate communication prepares the company's legislative agenda with input from Aquarion's senior management team, and provides monthly updates to the team during annual legislative sessions to assure internal alignment. In cases where Aquarion's position is not in alignment with an association or its membership, Aquarion will use its board seat to voice its position in an attempt to reach agreement among members.

W6.6

(W6.6) Did your organization include information about its response to water-related risks in its most recent mainstream financial report?
Yes (you may attach the report - this is optional)
Eversource 2020-annual-report.pdf

W7. Business strategy

W7.1

(W7.1) Are water-related issues integrated into any aspects of your long-term strategic business plan, and if so how?

	Are water-related issues integrated?	Long-term time horizon (years)	Please explain
Long-term business objectives	Yes, water-related issues are integrated	11-15	With a water utility subsidiary as part of our business, water-related issues, including water availability and quality, are integrated in the establishment of long-term objectives, strategies and financial planning. These are overseen by the Company's management and reported to the Board of Trustee's. Comprehensive operating and strategic planning, including long-term objectives, specific strategies to achieve goals, and plans to implement each strategy are reviewed at Board meetings. The operating plan, consisting of goals and objectives for the year, key performance indicators and financial forecasts, was reviewed and approved by the Board in Feb. 2020.
Strategy for achieving long-term objectives	Yes, water-related issues are integrated	11-15	With a water utility subsidiary as part of our business, water-related issues, including water availability and quality, are integrated in the establishment of long-term objectives, strategies and financial planning. These are overseen by the Company's management and reported to the Board of Trustee's. Comprehensive operating and strategic planning, including long-term objectives, specific strategies to achieve goals, and plans to implement each strategy are reviewed at Board meetings. The operating plan, consisting of goals and objectives for the year, key performance indicators and financial forecasts, was reviewed and approved by the Board in Feb. 2020.
Financial planning	Yes, water-related issues are integrated	11-15	With a water utility subsidiary as part of our business, water-related issues, including water availability and quality, are integrated in the establishment of long-term objectives, strategies and financial planning. These are overseen by the Company's management and reported to the Board of Trustee's. Comprehensive operating and strategic planning, including long-term objectives, specific strategies to achieve goals, and plans to implement each strategy are reviewed at Board meetings. The operating plan, consisting of goals and objectives for the year, key performance indicators and financial forecasts, was reviewed and approved by the Board in Feb. 2020.

W7.2

(W7.2) What is the trend in your organization's water-related capital expenditure (CAPEX) and operating expenditure (OPEX) for the reporting year, and the anticipated trend for the next reporting year?

Row 1

Water-related CAPEX (+/- % change)

15.3

Anticipated forward trend for CAPEX (+/- % change)

17.5

Water-related OPEX (+/- % change)

-15300000

Anticipated forward trend for OPEX (+/- % change)

17750000

Please explain

Aquarion Water Company's CAPEX actual for 2019 and 2020 are $110.3M and $127.2M. The capex budget for 2021 is $149.5M. Our water-related capital budget is for investment in water infrastructure replacement and rehabilitation. We are increasing this investment in order to ensure the reliability of our water infrastructure to serve our customers. OPEX budgets are the total operating expenses incurred to run the drinking water utility (i.e., power, payroll, etc.). Over the same period are $101.4M, $85.9M, and $101.1M. In 2020 we sold a water system. The net gain on that sale is included in 2020 and explains the dip in the in OPEX for 2020. We work to contain operating costs to keep the cost of service down for our customers.

W7.3

(W7.3) Does your organization use climate-related scenario analysis to inform its business strategy?

	Use of climate-related scenario analysis	Comment
Row 1	Yes	Basic qualitative climate-related scenario analyses are performed by our Enterprise Risk Management (ERM) group. This includes considerations for extreme weather and impacts on customer water use as it relates to climate change. In addition to regularly scheduled reports by ERM of all of the Company's enterprise-wide risks and the results of the ERM Program, management reports periodically to the Finance Committee, other Board Committees or the full Board in depth on specific top enterprise risks including those related to climate change. ERM also reports regularly to the Finance Committee on the activities of the Company's Risk Committee. The Risk Committee, chaired by the Executive VP and CFO, consists of senior officers of the Company, and is responsible for ensuring that the Company is managing its principal enterprise-wide risks, as well as other key risk areas such as environmental, information technology, compliance and business continuity.

W7.3a

(W7.3a) Has your organization identified any water-related outcomes from your climate-related scenario analysis?

Yes

W7.3b

(W7.3b) What water-related outcomes were identified from the use of climate-related scenario analysis, and what was your organization's response?

	Climate-related scenarios and models applied	Description of possible water-related outcomes	Company response to possible water-related outcomes
Row 1	Other, please specify (Qualitative & quantitative analysis)	Our climate-related scenario analysis resulted in water-related outcomes including the identification of the impacts of severe weather impacts including drought and possible changes in regulations and customer water use.	We continue to monitor and mitigate risks that could result from more severe weather events.

W7.4

(W7.4) Does your company use an internal price on water?

Row 1

Does your company use an internal price on water?

No, but we are currently exploring water valuation practices

Please explain

W8. Targets

W8.1

(W8.1) Describe your approach to setting and monitoring water-related targets and/or goals.

	Levels for targets and/or goals	Monitoring at corporate level	Approach to setting and monitoring targets and/or goals
Row 1	Business level specific targets and/or goals	Targets are monitored at the corporate level Goals are monitored at the corporate level	Our drinking water utility, Aquarion Water Company, annually establishes initiatives (i.e., goals) as well as Key Performance Indicators (i.e., targets) that are measured and reported on monthly both to Aquarion leadership, as well as to broader Eversource leadership. In addition to traditional financial and employee perspective targets, numerous water-specific targets are used.

W8.1a

(W8.1a) Provide details of your water targets that are monitored at the corporate level, and the progress made.

Target reference number
Target 1

Category of target
Other, please specify (Water Quality Complaints)

Level
Business

Primary motivation
Corporate social responsibility

Description of target
Water Quality Compliance

Quantitative metric
Other, please specify (Number of instances finished product failed to meet regulatory requirements)

Baseline year
2020

Start year
2020

Target year
2020

% of target achieved
100

Please explain
This target is reset each financial year and is measured for all three business units of Aquarion Water and monitored at the Corporate level. The target is zero. Measures the number of Notices of Violation (NOVs) of water quality standards issued by state health regulators that result in fines, penalties, or Tier 1 customer notifications. Violations incurred in newly acquired systems are not counted for a period of three years in order to provide time for identification and correction of compliance deficiencies. While Aquarion received Tier 3 violations for schedule and paperwork discrepancies, no violations were received that met the definition to be counted in 2020.

Target reference number
Target 2

Category of target
Other, please specify (Water Quality Complaints)

Level
Business

Primary motivation
Brand value protection

Description of target
Water Quality Complaints

Quantitative metric
Other, please specify (Number of complaints recorded)

Baseline year
2020

Start year
2020

Target year
2020

% of target achieved
100

Please explain
This is a financial year target and is measured for all three business units of Aquarion Water and monitored at the Corporate level. Measures the sum of all Water Quality complaints logged by company representatives in the following categories: Taste & Odor, Appearance complaints of unknown cause, Chemical quality and Biological quality. Excluded from this sum are complaints from Chlorination Initiative small systems that are directly attributed to chlorination (Chemical quality and Taste & Odor). This exclusion is in effect for a period of 1 year following chlorination of the given system. In 2020, Aquarion recorded 997 water quality complaints that meet the above definition against an upper limit target of no more than 1097.

Target reference number
Target 3

Category of target
Other, please specify (Service Quality Complaints)

Level
Business

Primary motivation
Brand value protection

Description of target
Service Quality Complaints

Quantitative metric
Other, please specify (Number of Complaints recorded)

Baseline year
2020

Start year
2020

Target year
2020

% of target achieved
100

Please explain
This is a financial year target and is measured for all three business units of Aquarion Water and monitored at the Corporate level. The sum of all customer complaints logged by company representatives in the following categories: High Bill Investigations, Pressure Issues, Meter Issues, Outages, Property Damage, and General Service. Measurement periods are monthly and year-to-date. In 2020 Aquarion recorded 1959 complaints in this category against an upper limit target of no more than 3148.

Target reference number
Target 4

Category of target
Other, please specify (Non-revenue Water)

Level
Business

Primary motivation
Recommended sector best practice

Description of target
Non-revenue water

Quantitative metric
Other, please specify (% of product not sold to customers)

Baseline year
2019

Start year
2019

Target year
2020

% of target achieved
100

Please explain
This target is a trailing twelve-month average and is measured for all three business units of Aquarion Water and monitored at the Corporate level. Non-Revenue Water (NRW) is the difference between the amount of water a utility produces and the amount of water it can account for in sales. NRW is presented in terms of volume and as a percentage. This measure provides strategic feedback on stakeholder management given the regulatory interest in non-revenue water and on sustainability efforts as the primary cause of non-revenue water is leakage. It also provides diagnostic feedback on the business processes impacting and controlling non-revenue water. The overall goal is to maintain NRW below 15% to meet stakeholder expectations. Due to unusually high NRW in 2019, the 2020 target was 16.8% and was met.

Target reference number
Target 5

Category of target
Community engagement

Level
Site/facility

Primary motivation
Cost savings

Description of target
Paving Coordination

Quantitative metric
Absolute increase in investment in community engagement initiatives

Baseline year
2020

Start year
2020

Target year
2020

% of target achieved
100

Please explain
This target is specific to the Connecticut business of Aquarion Water and is reset each financial year. It is monitored at the corporate level. The amount of water main replaced annually in Connecticut is significant as a portion of the over capital budget and in total miles of main replaced. Construction costs in CT exceed those in NH and MA. Main replacement is evaluated and prioritized using many factors, primarily age, condition and break history. Coordinating projects with local municipalities' road paving schedules, when possible, provides cost savings and enhances our community engagement/stakeholder relations. Where towns are planning road paving projects in the near term and we are planning a main replacement in the near term, we agree to a coordinated schedule and to pay a portion of the paving cost instead of bearing the full cost of re-paving the road, as we do when no such coordination occurs. We are measuring the total paving dollars spent on coordinated projects.

W8.1b

(W8.1b) Provide details of your water goal(s) that are monitored at the corporate level and the progress made.

Goal
Other, please specify (Water Stewardship)

Level
Business

Motivation
Water stewardship

Description of goal
Protect Future Water Supply Quantity. This goal ties back to our monitoring of water supply adequacy (available supply and customer demand), which is essential to ourability to meet consumer needs in the future. We are implementing this goal across Aquarion business operations by participating in the regulatory process to effectively represent the water utility perspective, working tominimize adverse impacts on the environment and meet environmental regulations, specifically new streamflow release requirements, making efforts to minimize NRW, and implementing water conservation programs.

Baseline year
2018

Start year
2018

End year
2020

Progress
This is a year on year, rolling goal for the drinking water utility, Aquarion Water. In 2020 specifically we reduced our NRW by more than 3%, began a construction project to ensure we can meet future streamflow release requirements, and submitted a diversion permit application to our regulator to allow additional inter-basin transfers to serve the Southwest Fairfield County region.

Goal
Other, please specify (Water Stewardship)

Level
Business

Motivation
Water stewardship

Description of goal
Sustainability: Enhance Aquarion's performance as a progressive environmental steward, which is important to us for maintaining our positive reputation with customers and regulators. Aquarion does this through implementation and growth of our water conservation program with customers. In addition to multiple outreach initiatives, we implement a 2x/wk irrigation schedule mandatory in nine towns and are working on plans to expand this program. We seek meaningful collaboration with environmental stakeholder groups, for example efforts to partner on the acquisition of property and/or conservation easements that benefit drinking water.

Baseline year
2013

Start year
2013

End year
2020

Progress
This is a year on year, rolling goal for the drinking water utility, Aquarion Water. In 2020 we entered our fourth year of our 2x/wk irrigation program; held bi-weekly meetings with town officials during the summer season to provide water supply updates, commissioned a new structure for eel passage at one of our dams in collaboration with CT DEEP. The monitoring equipment is powered by solar panels. We purchased property in NH and a conservation easement in CT to protect drinking water resources.

W9. Verification

W9.1

(W9.1) Do you verify any other water information reported in your CDP disclosure (not already covered by W5.1a)?
No, we are waiting for more mature verification standards and/or processes

W10. Sign off

W-FI

(W-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

W10.1

(W10.1) Provide details for the person that has signed off (approved) your CDP water response.

	Job title	Corresponding job category
Row 1	Manager, Investor Relations	Other, please specify (Investor Relations)

W10.2

(W10.2) Please indicate whether your organization agrees for CDP to transfer your publicly disclosed data on your impact and risk response strategies to the CEO Water Mandate's Water Action Hub [applies only to W2.1a (response to impacts), W4.2 and W4.2a (response to risks)].

Yes

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	I am submitting to	Public or Non-Public Submission
I am submitting my response	Investors	Public

Please confirm below

I have read and accept the applicable Terms