

STATE OF VERMONT  
PUBLIC UTILITY COMMISSION

|                                                  |                      |
|--------------------------------------------------|----------------------|
| Petition of Green Mountain Power for approval )  |                      |
| of a multi-year regulation plan pursuant to 30 ) |                      |
| V.S.A. §§ 209, 218, and 218d )                   | Case No. 18-1633-PET |

**Renewable Energy Vermont's Responses to the First Set of Information Requests  
Served by Green Mountain Power**

This is the response of RENEWABLE ENERGY VERMONT ("REV") to the First Set of Discovery Requests ("Discovery Requests") of GREEN MOUNTAIN POWER ("GMP" or "Petitioner") on December 21, 2018.

**General Objections**

The following General Objections of REV are incorporated by reference into its responses to each Interrogatory, Request to Produce, and Request for Admissions reproduced below, whether or not an objection is stated in any particular response. Any response to one of the Interrogatories, Requests to Produce, or Requests for Admission given below is given without waiver of any objection, whether or not an objection is stated.

1. REV objects to each Interrogatory, Request to Produce, and Request for Admission reproduced below to the extent that it is overbroad, irrelevant, unduly burdensome, or not proportional to the needs of the case.
2. REV objects to each Interrogatory, Request to Produce, and Request for Admission reproduced below to the extent that it calls for the disclosure of information or production of material privileged under the attorney-client, work-product, or any other applicable privilege.
3. REV objects to each Interrogatory, Request to Produce, and Request for Admission reproduced below to the extent that it is unreasonably cumulative or duplicative, or calls for the disclosure of information or production of material that is obtainable from some other source that is more convenient, less burdensome, or less expensive, including, but not limited to, information or material that is publicly available or that has already been disclosed or produced to you in connection with another proceeding.
4. REV objects to each Interrogatory, Request to Produce, and Request for Admission reproduced below to the extent that it calls for the disclosure or production of confidential or proprietary information, trade secrets, or material.
5. REV objects to each Interrogatory, Request to Produce, and Request for Admission reproduced below to the extent that it is vague, unintelligible, requires

speculation as to the information being sought, or is otherwise incapable of a reasonable answer.

6. REV objects to each Instruction and Definition listed in the requesting party's discovery requests to the extent that it exceeds the bounds of permissible discovery or is unduly burdensome.

7. REV objects to each Interrogatory, Request to Produce, and Request for Admission to the extent that the request exceeds the scope of REV's testimony and exhibits.

8. REV objects to each Interrogatory, Request to Produce, and Request for Admission to the extent that the request would require REV to conduct extensive document review, additional studies, analyses, and/or tests as part of its response.

9. REV objects to each Interrogatory, Request to Produce, and Request for Admission to the extent that the request exceeds the scope of the requesting party's intervention.

10. REV objects to each Interrogatory, Request to Produce, and Request for Admission to the extent that the request exceeds the scope of the issues on review.

11. REV objects to each Interrogatory, Request to Produce, and Request for Admission to the extent that it calls for a legal conclusion.

**RESPONSES TO INTERROGATORIES AND REQUESTS TO PRODUCE**

**Requests for All Witnesses**

**Q.GMP.1-1.** For each witness for whom REV has submitted prefiled testimony:

- a. Please identify and produce all documents prepared by and/or relied upon by each witness, or any persons working for or under the direction of each witness, in connection with their testimony, including, but not limited to, the raw data, and other results of any research, calculations, or work conducted by the person and any documents, calculations, data, research, or other information generated by any other person which the witness consulted. For any document provided by GMP to REV please just identify the document.
- b. Please identify and produce copies of any studies, reports, articles, presentations, regulations plans, orders, decisions, and any other background information relied on by REV's witnesses, or those working under the direction of each witness, when evaluating GMP's proposed MYRP or when researching and developing REV's testimony and recommendations regarding the Plan.
- c. Please identify and produce in their original format all electronic files that were utilized or generated to prepare any exhibit or any analysis, images, impressions, conclusions, or statements presented in either their prefiled testimony or any associated exhibits.

**A.GMP1-1.** Objection to the extent that the request encompasses all material in REV's possession used in the preparation of prefiled direct testimony and exhibits, including material protected by the attorney-client and work-product privileges. Further objections on the grounds the requests are not proportional to the needs of the case, and to the extent that documents that are publicly available or are accessible via the weblinks provided in REV's testimony or in these discovery responses. Without limiting or waiving this objection, REV responds as follows:

**Phelps:**

- a. I did not produce any documents.
- b.
  1. "Hypothetical Linear Formula with Deadband." Whited, Woolf, and Napoleon, Utility Performance Incentive Mechanisms: A Handbook for Regulators (2015), at 43. Available at: [http://www.synapseenergy.com/sites/default/files/Utility%20Performance%20Incentive%20Mechanisms%2014-098\\_0.pdf](http://www.synapseenergy.com/sites/default/files/Utility%20Performance%20Incentive%20Mechanisms%2014-098_0.pdf)

2. Vermont Department of Public Service request for workshop on utility rate regulation, Case No. 17-3142-PET, Order of 7/23/18
3. 30 V.S.A. § 8001(a)
4. Section 8001(a) of Title 30
5. 30 V.S.A. § 218d(a)(4)
6. "Vermont State Profile and Energy Estimates." U.S. Energy Information Administration, Independent Statistics & Analysis. Accessed on December 5, 2018. Available at:  
<https://www.eia.gov/state/data.php?sid=VT#ConsumptionExpenditures>
7. 30 V.S.A. § 202a
8. 30 V.S.A. § 218c
9. 10 V.S.A. § 578
10. Case No. 18-0974-TF, GMP Rate Case, PSD Direct Testimony of Brian E. Winn, August 10, 2018
11. Case No. 18-0974-TF, GMP Rate Case, GMP Direct Testimony of Douglas Smith, April 13, 2018

- c. The only electronic files that were utilized or generated as part of my testimony are provided as part of subsection b.

**Olivia Campbell Andersen/Leslie Cadwell:**

- (a) & (b) Other than preparing prefiled testimony jointly with Ms. Andersen, Ms. Cadwell did not prepare any documents in connection with the testimony. Ms. Cadwell relied upon the exhibits provided with the joint prefiled testimony, Mr. Nathan Phelps's prefiled testimony, and the documents listed below (in no particular order) in connection with her joint testimony in this case:

- Vt. PUC (then PSB) Final Order in Docket No. 5983 (184 PUR 4<sup>th</sup> 1 (2/27/1998)
- Vt. PUC (then PSB) Final Order in Docket No. 6107 (207 PUR 4<sup>th</sup> 1) (1/23/2001)
- Vt. PUC Order in Case No. 17-3142-PET (346 PUR 4<sup>th</sup> 1) (7/23/2018)
- Vt. PUC (then PSB) Final Order in Docket Nos. 7175/7176 (12/22/2006)
- Vt. PUC (then PSB) Final Order in Docket No. 7213 (256 PUR 4<sup>th</sup> 66) (3/26/2007)
- Vt. PUC (then PSB) Final Order in Docket No. 7585 (281 PUR 4<sup>th</sup> 466) (4/16/2010)
- Vt. PUC Order re: biennial update of the net-metering program in Case No. 18-0086-INV (5/1/2018)
- Letter from Josh Castonguay, VP, Chief Innovation Officer, Green Mountain Power Corp. to Judith C. Whitney, Clerk of the Commission, re Case No. 17-4985-INV, January 4, 2018.

- Letter from Geoffrey H. Hand, Esq. and Elizabeth Miller, Esq., Dunkiel Saunders Elliott Raubvogel Hand, to Judith C. Whitney, Clerk of the Commission, re Case No. 18-1633-PET, August 13, 2018
- Exhibit GMP ER-1
- Exhibit GMP ER-1\_1Rev
- Exhibit GMP- MGP-1
- Attachment GMP COMM1.Q.1.3
- Attachment GMP COMM1.Q.1.5
- Prefiled Testimony of GMP Witnesses: Mary Powell, Brian Otley, Doug Smith, Eddie Ryan (including supplemental)
- MP's April 2015 Estimate of NM Benefits from 4/30/2015 Power Point on NM 2.0

(c) The electronic version of the documents responsive to this request are PDFs and they are attached.

Person(s) Responsible for Response: Olivia Campbell Andersen, Executive Director, Renewable Energy Vermont; Leslie A. Cadwell, Vice-Chair to the Board of Directors, Renewable Energy Vermont

Date: January 11, 2019

**Cadwell –Campbell Andersen**

**Q.GMP.1-2.** Regarding the statements in response to Question 9 of Ms. Cadwell and Ms. Andersen's Joint Direct Testimony regarding GMP's Tesla Powerwall 2.0 Program, page 8, lines 9-19, please answer the following:

- a. Please explain what the witnesses mean by "subsidized" in this context and identify and produce any analysis to support the assertion that the Powerwall pilot is "highly subsidized."
- b. Do the witnesses consider the program to be "subsidized" over the entire life of the Powerwall program or instead in certain years? Please explain and identify and produce any documents or analysis supporting their opinions.
- c. With respect to the figure quoted from the Department of Public Service ("Department") communications on page 8, lines 14–15, did REV conduct any of its own independent analysis or calculations to confirm this figure? If so, please describe and produce all supporting analysis or calculations.
- d. Did Ms. Cadwell or Ms. Andersen take into account the expected power supply savings associated for customers with the Powerwall program in expressing the opinion that the Powerwall program is "subsidized"? If so, please explain how these savings were taken into account. If not, please explain why not.
- e. If the Regional Network System ("RNS") and capacity savings generated by the Powerwall Program more than offset the costs of the program over its life, would REV still consider the program to be "subsidized"? Please explain your response.

**A.GMP.1-2.**

- (a) The information presented in the testimony at lines 9 through 19 speaks to, and explains, what is meant by "highly subsidized," i.e., charging only a fraction of the installed per-unit cost to participating customers.
- (b) GMP does not recover the installed per-unit capital cost of each Powerwall from participating customers, which GMP estimated to be \$8,857 per unit in Exhibit BO-3 submitted in Case No. 18-0974-TF. This is true for the 10-year life of the Pilot; the capital costs for each participating customer's Powerwall unit are shared with other ratepayers.
- (c) No.
- (d) No. The primary point of the testimony is to illustrate REV's concern about GMP's ability to leverage its monopoly position in the provision of retail electric service in the market for alternative energy goods and services that are available

in the competitive marketplace. As we explain at page 10, the savings that can be achieved through a battery storage program on GMP's electric distribution network do not depend on whether the battery device is owned and financed by GMP or owned and financed by the customer or a non-utility provider of energy services.

- (e) That is a hypothetical that misses the point of the testimony. GMP made a decision about the Powerwall Pilot without any consideration having been given to a program that would allow customers to choose their device and receive the same or equivalent subsidy from GMP that customers participating in the Powerwall program receive.

**Q.GMP.1-3.** On page 9, lines 15–18 of Ms. Cadwell and Ms. Andersen's Joint Direct Testimony, they state that "[t]he BYOD Pilot's low adoption rate as compared with the Powerwall Pilot is a reflection of BYOD's inferior customer benefits and the subsidy that GMP is able to provide for its preferred battery as a rate-regulated utility."

- a. Please identify, describe, and produce all relevant documents, analysis, and communications that REV has generated, reviewed, or participated in that supports this assertion.
- b. Is REV aware of any similar program in any other jurisdiction that allows customers to install a customer-owned home energy storage device and receive a credit on their bill associated with the power supply benefits generated by the device? If so, please identify the jurisdiction and produce any information in REV's possession about the program.

**A.GMP.1-3.** Objection to the extent that the request encompasses all material in REV's possession used in the preparation of prefiled direct testimony and exhibits, including material protected by the attorney-client and work-product privileges. Further objection on the grounds the request is overbroad and not proportional to the needs of the case. Without waiving the objections, the witnesses respond as follows:

- (a) Exhibits REV Joint-1, -4, -5.
- (b) Yes. Whenever a storage customer participates in a TOU rate and receives credit for exports during peak hours, they are effectively receiving a bill credit determined at least in part by capacity costs/value (serving a power supply function).

#### MA SMART Program

See <https://www.mass.gov/files/documents/2018/09/13/Energy%20Storage%20Guideline%20FINAL%20091318.pdf>

To receive SMART program storage adder incentives, systems must meet operational requirements designed to support peak load reduction. Standalone systems must be dispatched during summer or winter peak hours (52 cycles per year) or register in the ISO-NE wholesale market or an equivalent program aimed at reducing ratepayer costs. Behind the meter systems must reduce on-site customer peak demand or increase self-consumption of on-site solar.

#### NH Liberty Utility Storage Pilot

See [http://www.puc.state.nh.us/Regulatory/Docketbk/2017/17-189/LETTERS-MEMOS-TARIFFS/17-189\\_2018-11-19\\_ENGI\\_SETTLEMENT.PDF](http://www.puc.state.nh.us/Regulatory/Docketbk/2017/17-189/LETTERS-MEMOS-TARIFFS/17-189_2018-11-19_ENGI_SETTLEMENT.PDF)

Pending settlement uses a TOU rate design to compensate customers for dispatch of the customer battery to support both transmission and capacity cost savings. The compensation scheme goes beyond load reduction due to battery dispatch to also providing a credit for exports during dispatch (i.e., the utility will try to maximize cost savings by using the full battery capability irrespective of customer load at the time).



NY VDER (for demand rate customers)

See <https://www.nyserda.ny.gov/-/media/VDER-P1-Implementation-Order-Overview.pdf> and <http://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId=%7BB3CCA2B7-24A0-47E1-88B2-5FE0ED521720%7D>

Storage is eligible for VDER when paired with an otherwise eligible renewable (e.g., PV). Monetary credits for exports from storage-paired renewables are provided based on the NYISO capacity value of resource, which is based on performance during the NYISO peak hour from the previous year. NY is considering the inclusion of stand-alone storage in VDER during the 2nd phase of the VDER proceeding.

Person(s) Responsible for Response: Olivia Campbell Andersen, Executive Director, Renewable Energy Vermont; Leslie A. Cadwell, Vice-Chair to the Board of Directors, Renewable Energy Vermont  
Date: January 11, 2019

**Q.GMP.1-4.** On page 8, lines 16–19 of their Joint Direct Testimony, Ms. Cadwell and Ms. Andersen state that “[u]nless similar subsidies are available to customers who wish to use the same or similar technology available in the marketplace from non-utility vendors, the benefits of customer-based energy storage will be limited throughout GMP’s service territory.” With respect to this statement:

- a. To the extent that REV is proposing that a “subsidy” should be provided for home energy storage devices, please explain how such a subsidy should be structured and paid for.
- b. Is it REV’s opinion that non-participating GMP customers can receive the same level of overall benefits if customers install home energy storage devices from non-utility vendors as they receive under the GMP Powerwall program? Please explain why or why not.

**A:GMP.1-4.**

- (a) GMP’s Powerwall and BYOD pilots offer disparate customer benefits depending on who provides and owns the battery, GMP or the customer, even though the avoided RNS and capacity cost benefits are equivalent. To bring parity, BYOD customers should receive the same compensation as GMP and its participating customers receive for the Powerwall device. Without parity and a fair and level competitive market, customers are ill-served in both the short and long term as their choices are limited or non-existent.
- (b) Objection on the grounds the question is vague and unintelligible. Without waiving the objection, the witnesses don’t understand the question.

Person(s) Responsible for Response: Olivia Campbell Andersen, Executive Director, Renewable Energy Vermont; Leslie A. Cadwell, Vice-Chair to the Board of Directors, Renewable Energy Vermont

Date: January 11, 2019

**Q.GMP.1-5.** Starting on page 9, line 19 and continuing through page 10, line 2 of Ms. Cadwell and Ms. Andersen's Joint Direct Testimony, they state that "[t]he Powerwall Pilot is actually serving as a disincentive rather than a tool to empower customers to invest in their own energy independence and sustainable future."

- a. Please identify and produce any documentation supporting any specific examples that REV is aware of where a GMP customer wanted to acquire a storage device, including through participation in the BYOD, and was disincentivized to do so by the Powerwall Program.
- b. Please explain how customers participating in the Powerwall Program are not "invest[ing] in their own energy independence and sustainable future."

**A.GMP.1-5.**

- (a) The enrollment disparities, which GMP has not explained, provide sufficient documentation.
- (b) Electricity storage devices should only be considered sustainable if they rely on 100% renewable electricity to charge the devices. Individuals participating in GMP's Powerwall pilot are not to quote GMP "investing in their own energy independence" because they remain dependent on the utility.

Person(s) Responsible for Response: Olivia Campbell Andersen, Executive Director, Renewable Energy Vermont; Leslie A. Cadwell, Vice-Chair to the Board of Directors, Renewable Energy Vermont

Date: January 11, 2019

**Q.GMP.1-6.** On page 10, lines 4–7 of Ms. Cadwell and Ms. Andersen's Joint Direct Testimony, they state that they "recommend that as part of the MYRP, the Commission require GMP to provide competitive market participants with transparent and nondiscriminatory access to the Company's DER platform and allow customer and third-party ownership arrangements of DER products." Does REV believe any components of the MYRP would prohibit customer or third-party ownership arrangements of DER products? If so, please identify the relevant provisions of the Plan.

**A.GMP.1-6.** The plan fails to establish any consumer protections; fails to compel GMP to allow customers to choose which non-traditional energy service providers they partner with; and fails to protect competitive markets.

**Q.GMP.1-7.** On page 10, lines 16–18 of Ms. Cadwell and Ms. Andersen's Joint Direct Testimony, they state that the "RNS benefits are the same from a non-utility provisioned battery as one provisioned by GMP so those benefits cannot be used to justify a subsidy for one, but not the other." Does this statement assume the non-utility provisioned battery would be controllable by GMP in the same manner as a GMP provided battery? If not, please explain why not.

**A.GMP.1-7.** Yes.

**Q.GMP.1-8.** Regarding Ms. Cadwell and Ms. Andersen's Joint Direct Testimony stating in response to Question 12 (starting on page 11) that GMP has an "unfair competitive advantage" over non-utility innovative services providers:

- a. Admit that distribution utilities in Vermont accept SPEED and net-metering resources output as they come online as required by Vermont statutes and rules. If denied, please provide the basis for denial.
- b. With respect to the assertion on page 12, lines 13–15 that "a non-utility project builder provides 100% of the risk capital and assumes all other risks to develop and construct an electric generation or other project subject to approval under Section 248," admit that a non-utility project may also keep all revenue that the project can achieve through PPAs or other wholesale market revenue streams, even if that revenue results in investment returns significantly higher than those allowed to a regulated utility like GMP. If denied, please explain the basis for denial.

**A.GMP.1-8.**

- (a) Objection, the request calls for a legal conclusion and fails to comply with the requirements of V.R.C.P. 36 in that it does not seek to admit or deny a statement of fact, the application of law to fact, nor are the requests separately set forth. Further objection on the grounds that the question calls for speculation, is disproportionate to the needs of the case, and the terms "accept" and "come online as required by Vermont statutes and rules" are vague and ambiguous.
- (b) Objection, the request fails to comply with the requirements of V.R.C.P. 36 in that it does not seek to admit or deny a statement of fact, the application of law to fact, nor are the requests separately set forth. Further objection on the grounds that the question calls for speculation, is vague and ambiguous, and disproportionate to the needs of the case

Person(s) Responsible for Response: Olivia Campbell Andersen, Executive Director, Renewable Energy Vermont; Leslie A. Cadwell, Vice-Chair to the Board of Directors, Renewable Energy Vermont

Date: January 11, 2019

**Q.GMP.1-9.** Starting on page 18, line 20 and continuing through page 19, line 2, in their Joint Direct Testimony Ms. Cadwell and Ms. Andersen state that “[i]n reality, the total of GMP’s power costs, including bill credits from power generated by GMP customers, were shown by the Department of Public Service in a separate proceeding to have gone down by more than \$33 million over the last five years.”

- a. Has REV conducted, or hired anyone to conduct, any analysis supporting this assertion? If so, please identify and produce such analysis.
- b. Admit that in response to REV Discovery Request REV:GMP.1-2, GMP explained in detail why the Department witness was mistaken regarding this \$33M figure. If denied, please explain the basis for denial.

**A.GMP.1-9.**

- a. No.
- b. Admitted that GMP responded to the discovery question with an explanation that disagreed with the Department, not admitted that the explanation demonstrated that the Department was incorrect. The Department’s witness rebutted the GMP explanation.

Person(s) Responsible for Response: Olivia Campbell Andersen, Executive Director, Renewable Energy Vermont; Leslie A. Cadwell, Vice-Chair to the Board of Directors, Renewable Energy Vermont

Date: January 11, 2019

**Q.GMP.1-10.** Beginning on page 20, line 20 and continuing through page 21, line 2, in their Joint Direct Testimony Ms. Cadwell and Ms. Andersen state that “Vermont homeowners, schools, towns, and businesses have been able to generate their own renewable power while paying for grid modernization.”

- a. Please explain what REV means by “paying for grid modernization” and identify and produce all relevant documentation supporting this assertion.

**A.GMP.1-10.** The costs to interconnect an electric generation project to GMP's electric distribution system are paid for by the interconnecting customer. In addition, interconnection customers pay for system impact, facilities, and feasibility studies. Please see the following documents:

- GMP VPSB Tariff No. 9, Second Revised Sheet 20, First Revised Sheet 23-9
- GMP Distributed Resource Interconnection Guidelines, October 2015
- PUC Rule 5.500

Person(s) Responsible for Response: Olivia Campbell Andersen, Executive Director, Renewable Energy Vermont; Leslie A. Cadwell, Vice-Chair to the Board of Directors, Renewable Energy Vermont  
Date: January 11, 2019



**Q.GMP.1-11.** On page 24, lines 18-19, Ms. Cadwell and Ms. Andersen's Joint Direct Testimony states that "[i]ncluding customer choice to self-generate through renewable energy resources that they own and can deploy locally should be a part of the MYRP." Would any component of GMP's proposed MYRP prohibit or inhibit the deployment of self-generation? Please explain your response.

**A.GMP.1-11.** The plan does not, but should, require customer choice.

Person(s) Responsible for Response: Olivia Campbell Andersen, Executive Director, Renewable Energy Vermont; Leslie A. Cadwell, Vice-Chair to the Board of Directors, Renewable Energy Vermont  
Date: January 11, 2019

## Phelps

**Q.GMP.1-12.** Please provide copies of all prior testimony and comments filed by Mr. Phelps that are identified in response to Question 5, which appears on page 2 of his Direct Testimony. Please also provide copies of any other testimony or public comments not referenced in this response that have been filed by Mr. Phelps in the past five years.

**A.GMP.1-12.** Please see the listing of testimony and documents below, most of which have hyperlinks to the documents (blue text). Copies of those documents for which online links were not available are included as **Attachments A.GMP.1-12**.

### Testimony:

Rhode Island                                  Docket 4770 & 4780  
The Narragansett Electric Company d/b/a National Grid Application to Change Electric and Gas Base Distribution Rates; and  
The Narragansett Electric Company d/b/a National Grid Proposed Power Sector Transformation (PST) Vision and Implementation Plan (*consolidated*)

- Direct Testimony
- Settlement Testimony

Massachusetts                                                  Docket D.P.U. 17-140  
*Joint petition of Electric Distribution Companies for Approval of Model Solar Massachusetts  
Renewable Target Tariff Pursuant to an Act Relative to Solar Energy, St. 2016, c. 75, § 11(b),  
225 C.M.R. 20.00*

- Direct Testimony
- Surrebuttal Testimony

Massachusetts                                          Docket D.P.U. 17-05

*Petition of NSTAR Electric Company and Western Massachusetts Electric Company, each doing business as Eversource Energy, pursuant to G.L. c. 164, § 94 and 220 C.M.R. § 5.00 et seq., for approval of general increases in Base Distribution Rates for Electric Service and a Performance Based Ratemaking Mechanism*

- [Direct Testimony](#)
- [Surrebuttal Testimony](#)
- [Direct Testimony Regarding the Revised Rate Design Proposal](#)
- [Surrebuttal Testimony Regarding the Revised Rate Design Proposal](#)

New Hampshire

Docket DE 16-576

*Development of New Alternative Net Metering Tariffs and/or Other Regulatory Mechanisms and Tariffs for Customer Generators*

- [Direct Testimony](#)
- [Rebuttal Testimony](#)
- [Settlement Testimony](#)

Massachusetts

Docket D.P.U. 15-155

*Investigation by the Department of Public Utilities on its own motion as to the propriety of the rates and charges proposed by Massachusetts Electric Company and Nantucket Electric Company in their petition for approval of an increase in base distribution rates for electric service*

- [Direct Testimony](#)
- Rebuttal Testimony

Maryland

Case No.: 9396

*In the Matter of the Application of Southern Maryland Electric Cooperative, Inc. for Authority to Revise Its Rates and Charges for Electricity Service and Certain Rate Design Charges*

- [Direct Testimony](#)
- [Surrebuttal Testimony](#)

Maryland

Case No.: 9361

*In the Matter of the Merger of Exelon Corporation and PEPCO Holdings, Inc.*

- [Direct Testimony](#)
- [Surrebuttal Testimony](#)
- [Settlement Testimony](#)

## **Comments**

- Connecticut
  - [12/23/16 Comments](#)
- Iowa
  - [9/20/16 MidAmerican Comments](#)
  - [9/20/16 IPL Comments](#)
  - [4/20/16 Comments](#)
  - [7/15/15 Comments](#)
  - [6/15/15 Comments](#)
  - [10/24/14 Comments](#)
  - [6/24/14 Comments](#)
  - [2/26/14 Comments](#)
- Maryland
  - 10/20/15 Comments/Presentation (unavailable on PSC website, must attach)

- Massachusetts
  - [7/27/18 Comments](#)
  - [7/25/18 Comments](#)
  - [7/9/18 Comments](#)
  - [2/23/18 Comments](#)
  - [2/22/18 Comments](#)
  - [2/1/18 Comments](#)
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  - [6/15/16 Comments](#)
  - 1/9/14 Comments
- New Hampshire
  - 10/17/18 Comments
  - 8/9/18 Comments
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- New York
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- Vermont
  - [7/15/16 Comments](#)
  - [5/12/16 Comments](#)
  - 1/13/16 Comments
  - 6/12/15 Comments
  - 7/7/14 Comments
  - 7/10/15 Comments
  - 11/19/14 Comments

**Q.GMP.1-13.** On page 6, lines 13–15 of his Direct Testimony, Mr. Phelps states that “[t]he deployment of DER in Vermont is extremely sensitive to how performance-based regulation evolves in Vermont, and necessarily by extension the MYRP.” Please explain how DER is directly or indirectly impacted by GMP’s MYRP, and identify and produce all documents, data, analysis, or other information that support the claim that DER development in Vermont is impacted by GMP’s proposed MYRP.

**A.GMP.1-13.** Performance-based regulation inherently encourages the relevant utility to take action that aligns with the desired outcomes of the regulatory agency, and the goals of the state. As I discussed in my prefiled direct testimony, the energy policy in Vermont is increased renewable energy, including Vermont-based renewable energy. If performance-based regulation is going to encourage Vermont energy policy, then performance-based regulation must include renewable energy provisions, including Vermont-based renewable energy provisions. Since GMP’s proposed MYRP is the first step in implementing performance-based regulation for GMP, the MYRP will directly influence the future of performance-based regulation in Vermont, including performance-based regulation provisions relevant to the deployment of DER.

**Q.GMP.1-14.** On page 11 of his Direct Testimony, Mr. Phelps states that the MYRP does not reduce capital bias.

- a. Admit that under the MYRP, there is a fixed amount of capital that can be placed into service over the effective period of the plan. If denied, please explain the basis for denial.
- b. Please explain why there is a risk for capital bias when there is a fixed amount of capital spending under the MYRP.

**A.GMP.1-14.**

- a. The MYRP does not reduce capital bias because the MYRP does not encourage or require the Company to consider non-GMP-owned solutions or non-capital solutions.
- b. See the response to a.

**Q.GMP.1-15.** Does the RAP-NREL Handbook referenced on pages 12–13 of Mr. Phelps's Direct Testimony recommend that performance incentives not have a value tied to return on equity? If so, please identify and produce where in the handbook this recommendation is made.

**A.GMP.1-15.** I did not reference RAP-NREL Handbook when making the recommendation that performance incentives not have a value tied to return on equity.



**Q.GMP.1.16.** On page 22, lines 18–19 of Mr. Phelps's Direct Testimony, he recommends that GMP adopt specific metrics to address DER and carbon emissions reductions. Please confirm that Mr. Phelps is proposing that these categories be tracked to establish a baseline during the term of this Plan. If instead, Mr. Phelps is proposing specific performance standards and incentives, please identify the specific standard and incentive he would propose.

**A.GMP.1-16.** At this time, I am recommending that GMP – at a minimum – start tracking data to establish a baseline. If a baseline can be established with currently-available information, then the Commission should consider a performance metric for the proposed MYRP.

**Q.GMP.1-17.** With respect to Mr. Phelps's testimony on page 23 regarding GMP's innovation measurements, please confirm that Mr. Phelps agrees that these metrics are appropriate for tracking in this Plan to establish a baseline. If not, please explain.

**A.GMP.1-17.** As I responded in answer 16, the innovation metrics proposed by GMP are appropriate but they do not go far enough.

**Q.GMP.1-18.** For the following pieces of information on pages 25–26 of his Direct Testimony that Mr. Phelps recommends GMP should be gathering and tracking, please explain how Mr. Phelps proposes these be tracked:

- a. Customer usage of particular energy mixes and the emissions associated therewith.
- b. The number of electric vehicle miles traveled in GMP service territory.

**A.GMP.1-18.**

- a. For each year (*e.g.*, calendar year or fiscal year), GMP should track the sources of energy used to supply electricity to GMP customers. Each generation unit has a specific emissions profile. After the Company has collected the emissions profiles of each generation unit, the total emissions associated with that unit for the year is simple multiplication.  
For each unit of electricity purchased from the ISO-NE markets (as opposed to specific generation units), GMP should use the emissions information from ISO-NE in order to calculate the emissions associated with the purchased electricity.
- b. The electric vehicle miles traveled in GMP service territory needs to be determined in collaboration with other agencies (*e.g.*, Agency of Transportation and Agency of Natural Resources). One potential option is to determine the number of electric vehicles by class, and the average miles traveled for each class of vehicle.

**Q.GMP.1-19.** Please identify any utilities that REV is aware of that track the information identified in pages 24–26 of Mr. Phelps's testimony, and any states that require tracking for its utilities, and provide copies of any information or data available on how this tracking is conducted.

**A.GMP.1-19.** Performance-based regulation is an evolving topic. As I explained in pages 9-10 of my direct testimony, regulators have experience with tracking energy efficiency and service quality performance information. I have not compiled a list of each state.

For the additional topic areas discussed in pages 24-26 of my direct testimony.

**Q.GMP.1-20.** Regarding Mr. Phelps's Direct Testimony on page 27 on the proposed ESAM and revenue decoupling:

- a. Admit that the MYRP does propose revenue decoupling. If denied, please state the basis for denial.
- b. To the extent that GMP's proposed revenue decoupling is different from the "fully reconciling revenue decoupling mechanism" proposed by Mr. Phelps on lines 20–21, please explain in detail how Mr. Phelps's proposal is different.

**A.GMP.1-20.**

- a. The MYRP proposes a form of revenue decoupling, but it does not propose full revenue decoupling.
- b. Full revenue decoupling completely severs the link between sales and revenue regardless of the reason(s) for increased or decreased sales. With full revenue decoupling, the utility will receive the target revenue (adjustments could occur in the following year, if necessary, to provide the utility with the target revenue) regardless of any external factors that change total sales (*e.g.*, DER, weather, economy). Stated differently, if the utility collects more than the target revenue, then all of the over-collection is returned to customers; if the utility collects less than the target revenue, then all of the under-collection is recovered from customers in the following year. Full revenue decoupling eliminates all risk associated with over- or under-recoveries as a result of changes in expected sales.

**Q.GMP.1-21.** Starting on page 30, line 20 and continuing through page 31, line 1 of Mr. Phelps's Direct Testimony, he recommends that the Commission require "target earnings for each year of the MYRP that include target performance for performance incentives." Does Mr. Phelps mean this to be applicable to this regulation plan period, or a future period after establishment of baselines? If the former, please identify and describe each specific performance metric that Mr. Phelps recommends be tied to incentives or penalties in this Plan, and the incentives or penalties if any are recommended.

**A.GMP.1-21.** For any and all performance metrics (but not innovation metrics) that are ultimately approved in the MYRP, the Commission should determine the target performance. The target revenue should include the assumption that GMP achieves target performance of the performance metrics. For each performance metric, if GMP exceeds target performance (or, if applicable, GMP exceeds the performance deadband) then GMP receives an incentive; or if GMP does not reach the target performance (or, if applicable, GMP does not reach the performance deadband) then GMP receives a penalty.

DATED at Burlington, Vermont this 11 day of January, 2019.

**As to Objections:**

A handwritten signature in black ink, appearing to read 'Kim K Hayden', written over a horizontal line.

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