

**STATE OF VERMONT
PUBLIC UTILITY COMMISSION**

Case No. 18-1633-PET

Petition of Green Mountain Power for approval of)
a multi-year regulation plan pursuant to 30 V.S.A.)
§§ 209, 218, and 218d)

**MEMORANDUM OF UNDERSTANDING BETWEEN
GREEN MOUNTAIN POWER AND RENEWABLE ENERGY VERMONT**

This Memorandum of Understanding (“MOU”), dated as of March 26, 2019, sets forth the agreement of Green Mountain Power (“GMP”) and Renewable Energy Vermont (“REV”) (collectively, the “MOU Parties”) regarding GMP’s proposed Multi-Year Regulation Plan (“MYRP” or the “Plan”) currently pending before the Public Utility Commission in Case No. 18-1633-PET. GMP proposes a MYRP to commence on or about June 1, 2019, for purposes of establishing the process by which GMP’s rates will be set for Fiscal Years (“FY”) 2020, 2021, and 2022. This MOU settles the parties’ dispute in Case No 18-1633-PET and is self-executing and enforceable between the Parties in accordance with its terms.

Recitals

1. On June 4, 2018, GMP filed a petition with the Vermont Public Utility Commission seeking approval of a MYRP to be effective June 1, 2019 and continue through Fiscal Year 2022 (PUC Case No. 18-1633-PET).
2. REV intervened in PUC Case No. 18-1633-PET and prefiled evidence proposing modifications to GMP’s MYRP.

3. REV and GMP agree with Vermont's 2016 Comprehensive Energy Plan conclusion that "[w]e have a moral and economic imperative to take substantial and consistent action to reduce greenhouse gas emissions to mitigate global climate disruption."

4. REV and GMP agree with the recent advisory from the United Nations' Intergovernmental Panel on Climate Change ("IPCC") that global warming is likely to reach 1.5°C between 2030 and 2052 if it continues to increase at the current rate and that limiting global warming to 1.5°C requires rapid, far-reaching, and unprecedented changes in all aspects of society.

5. REV and GMP agree that transforming the electric grid to enable the total renewable energy transformation necessary to meet the IPCC's urgent advisory on climate change can be better accomplished for Vermonters and GMP's customers by working together in partnership.

6. REV and GMP agree that net-metering plays a vital role in allowing customers to adopt 100% local renewable energy and that net-metering is among the vital parts of Vermont's renewable energy and climate economy.

7. REV and GMP agree that in accordance with 30 V.S.A § 218d(a)(4), the MYRP is expected to incorporate features that "advance state energy policy such as increasing reliance on Vermont based renewable energy."

8. REV and GMP agree that further litigation in Case No. 18-1633-PET is counterproductive to a partnership that can accelerate deployment of new in-state renewable energy resources and distributed energy resources ("DER"), and modernize GMP's grid to accommodate those new resources.

Now, therefore, in light of their mutual understanding and agreements, GMP and REV ("MOU Parties") stipulate and agree as follows:

Terms and Conditions of Agreement

Power Supply and Grid Modernization

1. The Parties share the goals of increasing opportunities for in-state renewable generation and other distributed energy resources that benefit customers, help meet the State's climate commitments, and accelerate market-based energy products and services opportunities. In support of those goals, no later than July 15, 2019, GMP and REV agree that they will convene a working group whose mission will be identifying opportunities to work together to accelerate the pace of deployment of new in-state renewable generation and the transformation of the electric grid in Vermont, including competitive third-party opportunities for energy supply, services, and products for the cost-effective benefit of all GMP's customers. The working group will include other interested parties and stakeholders and will work towards completing by October 30, 2019 a joint roadmap to achieve the working group's mission. The working group will also evaluate options for addressing grid constraints on GMP's system with the goal of identifying strategies that can be implemented to facilitate interconnection of distributed energy resources.

2. In the context of this agreement "transformation of the energy grid" means moving from a centralized, utility-controlled grid to a robust and resilient de-centralized, customer-focused grid that encourages multiple avenues of delivery for retail energy services to GMP's customers, not only through GMP but also through competitive options, promoting customer choice in energy related products and services, customer-sited DER, and aggregated services offerings by third-party providers of energy services and products.

3. To facilitate their working relationship, GMP and REV agree to cooperatively share information related to transformation of the energy grid so that all parties have access to the type of information necessary to effectively plan to increase the extent of renewable generation and

distributed energy resources on GMP's system. This includes information on GMP's power procurement strategies and how GMP addresses its open power positions, as well as information related to existing grid constraints on GMP's system, and options for addressing those constraints consistent with regulatory requirements.

4. REV may request information from GMP about its power procurement activities and GMP will respond, using best efforts to provide the information requested to REV in a timely manner. At least annually, GMP will also meet with REV to discuss power procurement activities and plans.

5. GMP understands that REV seeks better insight into the net costs and benefits of net-metering and the manner in which GMP accounts for net-metering in its power costs, for each vintage of net-metering (i.e., NM 1.0, 2.0 and 2.1). GMP commits to meet with REV and its members to discuss this issue and provide further explanation and documentation to REV in a timely manner. GMP will also expect to address this topic at least annually in its meetings set forth in Paragraph 4.

Interconnection Data Transparency, Reporting, and Timelines

6. To facilitate and track this transformation, the Parties agree that it is essential to identify and understand the condition of the grid, its capacity to integrate new resources, and the costs associated with integrating those resources.

7. Consistent with this goal, the parties are committed to sharing data and GMP will make good faith efforts to address and respond to requests made by REV for information related to interconnection data to the extent the data is available.

8. Going forward GMP will provide the following data on interconnection as part of its performance metrics report under the MYRP: (i) the number of DER third-party generation

resources interconnected to the grid in the prior calendar year, (ii) the aggregate kW interconnected in the prior calendar year, (iii) the number and aggregate capacity of systems waiting to be interconnected, but unable to do so as a result of capacity constraints on the grid, and (iv) an estimate of the average and longest duration a facility has waited to interconnect to the grid from the point at which the project is ready for physical interconnection. To the extent available, the data will be provided for each of the following categories: systems 15 kW and less; systems larger than 15 kW and up to 150 kW; systems larger than 150 kW and up to 500 kW; and systems larger than 500 kW. GMP will also report the average cost to interconnect these system size categories (per category and in aggregate) each year as part of the MYRP performance metrics.

Service Offerings, Pilots and Tariffs

9. GMP will provide competitive market participants with transparent and nondiscriminatory access to GMP's DER platform, marketing, and billing services to allow customer and third-party ownership arrangements of DER products, and to facilitate efficient integration into the grid.

10. In order to facilitate greater opportunity for third-party offerings that provide value for GMP customers, the MOU parties agree that, for any new GMP tariff or pilot program introduced during the term of the MYRP, GMP will provide a comparable, parallel third-party offering(s) (either separately or incorporated in the same pilot or tariff) for any GMP pilot program offering where feasible. This provision is targeted at pilots or tariffs that involve either GMP direct product offerings to customers or closed partnership arrangements for certain products. The provisions in this section are intended to ensure that customers have choice and that energy service providers have competitive opportunity to provide products and services

deployed on the customer side of the electric energy services market. Third-Party offerings may require connection to GMP's Distributed Energy Resource ("DER") platform to ensure inter-operability with utility grid management requirements, and may include an option for customers to elect to pay for these Third-Party offerings through appropriate charges on their GMP bill.

To accomplish this, GMP agrees to add the following language to the final version of Attachment 2 in its proposed MYRP: "For any new GMP tariff or pilot program that focuses on an available consumer product, GMP will offer a comparable, parallel Third-Party pilot or tariff, either separately or within the same pilot or tariff, where feasible. The Third-Party program may require connection to GMP's Distributed Energy Resource platform to ensure inter-operability with utility grid management requirements, and may include an option for customers to elect to pay for these Third-Party offerings through appropriate charges on their GMP bill."

11. To facilitate further collaboration among GMP, REV, and REV's members, the MOU Parties agree that the Innovative Pilot Program that is a part of the regulated services GMP seeks to continue under its Revised Plan (Attachment 2 to *Exhibit GMP-ER-1(Rev.)*) will be further revised to incorporate formal consultation with REV during development of any future new pilots under the Revised Plan, prior to filing with the Commission. The following sentence will be included in the final version of Attachment 2 of the MYRP: "GMP will include REV in the notice, collaboration, and reporting provisions with the Department of Public Service, the Public Utility Commission, and Efficiency Vermont on these pilots and any follow-on tariffs. GMP and REV will make its best efforts and collaborate in good faith on these pilots and any follow-on tariffs."

12. If GMP seeks to extend any existing innovative pilots or service offerings or offer them as a follow-on tariffed service, GMP shall follow the procedures outlined in revised Attachment 2 consistent with paragraph 11 above.

13. Notwithstanding the provisions of paragraph 11, before or by the end of the BYOD pilot period GMP will develop and file a new BYOD tariff for residential customers based on the prior pilot program after consultation with REV. In addition, GMP will provide the following pilots to REV for review and comment: by June 21, 2019 a BYOD pilot for commercial and industrial customers, and by July 26, 2019 a BYOD pilot that will allow for aggregation by Third-Party providers, and will file and implement them on a timely basis after REV consultation.

Performance Metrics

14. The MOU Parties agree that GMP's Revised Performance Metrics, as outlined in Attachment 7 (Rev.) of the Revised Plan (*Exhibit GMP-ER-1 (Rev.)*), were formulated to address many of the recommendations of REV's witnesses.

15. The MOU Parties are satisfied that the annual reporting requirement for the metrics described in *Exhibit GMP-ER-1 (Rev.)*, Section VIII(B), and as further supplemented in paragraph 8 above regarding interconnection, and as may be further supplemented by the Commission's Order in the course of this proceeding, are the appropriate metrics to track during the Plan term. To the extent that REV has questions about the data supporting any of these metrics when they are filed annually, GMP agrees to work in good faith to provide the supporting information and data behind the reporting metrics.

16. The MOU Parties further agree that these metrics will not be associated with any specific incentives during the term of the Plan, and instead will be used to provide significant information

to GMP, other parties, and the Commission, and to establish a baseline of future performance in each category.

17. This Memorandum of Agreement shall be, as between the parties hereto, enforceable in accordance with its terms.

18. This MOU may be amended by the Parties in writing consistent with Commission Rules and Order, and subject to its approval.

19. This MOU is governed by Vermont law.

Dated at Colchester, Vermont this 26 day of March, 2019.

RENEWABLE ENERGY VERMONT


By:


Olivia Campbell-Andersen
Executive Director

Dated at Burlington, Vermont this 26 day of March, 2019.

GREEN MOUNTAIN POWER

By:


Mary G. Powell
Chief Executive Officer