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October 19, 2018

Ms. Judith C. Whitney, Clerk Vermont Public Utility Commission 112 State Street Montpelier, VT 05620-2701

Re: GMP – BYOD Innovative Pilot - Update

Dear Ms. Whitney:

Please accept this as Green Mountain Power's ("GMP") six-month status update regarding our BYOD Innovative Pilot ("Pilot"), which commenced on March 10, 2018 after notice to the Public Utility Commission and Department of Public Service. The Pilot provides customers with multiple ways to procure battery storage for their home or small business, and take advantage of Green Mountain Power's unique ability to derive additional value from energy storage that customers cannot otherwise realize themselves.

Explanation of BYOD Innovative Pilot and Why it is Important

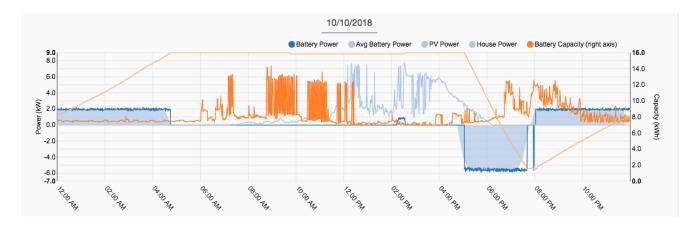
The BYOD Pilot opens GMP's distributed energy resource ("DER") platform to customers who purchase and install compatible batteries in their home or business. Customers will have the opportunity to earn a GMP bill credit by allowing GMP shared access to the battery to maximize its value for all GMP customers by reducing costs at "peak" times, and exploring the ability to charge and discharge systems to achieve other forms of wholesale power market value. The BYOD pilot allows customers to find new ways to obtain backup power in a cost-competitive way, while participating in GMP's grid transformation efforts with their own storage solution and receiving credits for doing so, all while helping to drive down costs for all GMP customers.

This Pilot is important to GMP and its customers due to its ability to enable and activate energy storage devices on GMP's grid, to help GMP drive down peak energy consumption, and to provide value to all GMP customers. It is also important because it leverages the open market to provide customers flexibility in the type and size of energy storage that they would like to install. Solar installers are beginning to include energy storage as part of their packages for customers, so the BYOD pilot is a natural progression of GMP's support for integration and collaboration with not only our customers, but also with local installers.

Participation in Pilot

As of October 18, 2018, there is one customer participating in the BYOD pilot, located in Rutland County. The unit is a 16kWh Sonnen battery with the ability to output 5kW for a period of 3 hours. GMP has utilized this system two times for peak events in October. The system performed exactly as desired during both events. Below is a chart that depicts the battery's discharge activity during the October 10th peak event.

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The dark blue line represents the battery's power (kW). It shows a clear discharge of over 5kW for approximately 3 hours before it begins recharging after the event ended.

Green Mountain Power's marketing has been through press release and other media contacts, with direct outreach through solar installers. We expect that as battery costs continue to decrease in the market and availability increases, more customers will opt for an energy storage solution to couple with their solar installation, leading to higher enrollment in the BYOD pilot. We are continuing to evaluate whether there are other ways to encourage participation in this program through our discussions with installers.

Updated Pilot Financials

No data has yet been generated to allow for an update to Pilot financials. GMP has called on the system twice in October, however we do not yet know which day will be the Vermont Peak for the month. GMP will be calling on the installed system at least once per month moving forward.

Next Status Update

GMP will provide another status update to the PUC regarding the BYOD Pilot progress after the one-year anniversary of the Pilot and upon completion after 18 months. In the event GMP decides to terminate the Pilot prior to the passage of 18 months or to tariff the program if strong customer interest remains, it will provide prompt notice to the PUC, the Department, and Efficiency Vermont.

If you should have any questions, please contact me at 802-747-6818.

Sincerely,

Craig Ferreira Innovation Development

cc: Dan Burke, Vermont Department of Public Service Karen Glitman, Efficiency Vermont