

Schedule G-1 – Summary of New Initiatives and Innovative Pilots

The Innovative Pilot Program is outlined in Attachment 2 to the Multi-Year Regulation Plan (“MYRP” or the “Plan”). The Public Utility Commission (“PUC” or the “Commission”) approved GMP’s Innovative Pilot Program because of the importance of these programs in encouraging further transformative energy efforts that reduce carbon and costs for customers.¹ This Schedule G-1, and the supporting Schedules G-2, G-2a, G-3, and G-4, summarize GMP’s new initiatives and outline GMP’s request, pursuant to Attachment 2 and Section IV(A)(1)(iv) of the Plan, for PUC approval of inclusion of capital expenditures for FY21 New Initiatives.

GMP’s Plan provides for fixed capital spending each year, yielding a total of \$256.5M closed to plant over the course of the three-year Plan. Within the yearly spending is an expected base of \$5M per year for new initiatives and Innovative Pilots, subject to two requirements that set this spending apart from other annual capital spending. First, GMP is required to seek PUC approval before including capital spending associated with Innovative Pilots in rate base.² Second, the Plan requires GMP to seek approval to spend over \$5M in capital on new initiatives in any fiscal year period, and requires specific approval before investing more than \$5 million in any individual Innovative Pilot program.³

GMP proposes to include in rate base for FY21 \$4.86M in total innovation capital spending, subject to PUC approval. The bulk of the capital spending will be due to anticipated Energy Storage System (“ESS”) Tariff installations. The ESS Tariff was recently approved by the Commission, together with GMP’s Bring-Your-Own-Device (“BYOD”) Tariff.⁴ This ESS Tariff is an optional program that allows customers to lease an energy storage system owned by GMP and installed in the customer’s home by manufacturer-certified installers. Customers participating in the ESS Tariff receive two Tesla Powerwalls, which will provide backup power for customers during outages and which will be dispatched by GMP to reduce power supply costs for all GMP customers. Customers can choose a monthly lease payment of \$55, or an upfront, one-time lease payment of \$5,500 per Energy Storage System. At an expected install pace of 20 systems per month, we currently anticipate a total of 240 systems installed in FY21, and capital spending of \$4.2 million. Although the program permits installing up to 500 systems per year, the budget reflects the pace of installations we expect in the fiscal year due to both program start up and the possibility that the COVID-19 pandemic will reduce overall demand. In the event that installation pace exceeds this estimate, GMP would have to seek approval from the PUC to spend over \$5M, per the Plan as described above. Each installation is anticipated to provide all GMP customers a system lifetime net benefit of \$2,629.⁵

GMP will also be continuing two already-underway Innovative Pilot programs into FY21. The first is the GMP Energy Bundle innovative pilot, which allows customers to install rooftop solar

¹ See Case No. 18-1633-PET, Order of 5/24/2019 at 30, 37.

² MYRP, Attachment 2 at 1–2.

³ MYRP at Section IV(A)(1)(iv).

⁴ See Case Nos. 19-3537-TF & 19-3167-TF, Order of 5/20/2020. The BYOD Tariff provides upfront incentives to up to 500 customers per year to install qualifying batteries from other manufacturers and installers. Costs associated with this program are recorded as a power supply expense and are not included in New Initiative capital spending covered under this Schedule.

⁵ See Exh. PUC-Info Request-1.a, filed 2/21/2020 in Case No. 19-3167-TF.

and energy storage coupled with fixed grid electric costs to be paid for in a monthly subscription model. The original pilot filing occurred on August 6, 2019, and the pilot program has been in place since that time. The GMP Energy Bundle will continue throughout the year with an expected install rate of three systems per month for the first few months of the fiscal year; we expect it then to taper off as the pilot ends. Consistent with Attachment 2 to the MYRP, GMP is seeking approval to include these amounts in rate base in FY21. The total capital spending associated with the Energy Bundle in FY21 is \$210,407.

The second program is the EV Make Ready innovative pilot, which we anticipate will require \$443,023 in capital spending. The EV Make Ready pilot was filed on March 6, 2020, and is designed to help expand Vermont's DC fast charging network and encourage electric vehicle adoption. GMP's contribution addresses the interconnection costs of these DC fast charging stations, which can include extending three-phase service (if required), installing a dedicated distribution transformer, and associated work necessary to interconnect the station(s). The anticipated capital spending is based on an expected installation of 10 EV charging stations throughout FY21, with GMP matching costs up to \$40,000 per site.

Although each of these programs is relatively small, the proposed spending on each project will provide a net positive economic benefit to non-participating customers, and strong support for the energy transformation the Plan is designed to facilitate.

Documentation supporting the costs and anticipated revenue and power cost savings associated with this program are provided in the remaining subparts of Schedule G.

- GMP is providing a copy of the original Schedule G-2, filed in FY20, which shows the overall proposed forecast of spending for New Initiatives over the three-year term of the Plan, including forecasts for the ESS Tariff as GMP's "Residential Storage Program." Schedule G-2a provides detail on the costs and benefits associated with the new FY21 pilots: the Energy Bundle and EV Make Ready pilot programs.
- Schedule G-3 provides the specific documentation and analysis of the GMP Energy Bundle pilot program and its costs and benefits to customers over the life of the program.
- Schedule G-4 provides the specific documentation and analysis of the EV Make Ready pilot program and its costs and benefits to customers over the life of the program.

The material for GMP's two new innovative pilots includes known and measurable documentation as required for proposed capital expenditures under the agreement approved by the Commission in GMP's 2018 Rate Case in Case No. 17-3112-INV (Exhibit #2 to GMP-DPS MOU).

Given the important benefits provided by these innovative efforts, GMP is respectfully requesting that the Commission authorize spending associated with both programs. Together with the ESS Tariff, total new initiative spending is expected to remain under \$5M in FY21, and will allow GMP to continue this important transformational energy work to benefit customers and reduce carbon and costs.

Green Mountain Power
Multi-Year Regulation Plan

Schedule G-2 - Unchanged from Last Year
Impact of Innovative Pilot Programs on COS

Impact of Innovative Pilot Programs Upon FY2020, FY2021, and FY2022 Costs of Service*

(Decrease)/Increase to Cost of Service

1.33333333
Annualized

<u>FY2019</u>	<u>FY2020</u>	<u>FY2021</u>	<u>FY2022</u>	
(\$1,948,216)	(\$1,546,771)	(\$1,661,871)	(\$1,781,571)	= Revenue
(\$310,707)	(\$216,171)	(\$216,171)	(\$216,171)	= Higher Retail Sales, net of Power Supply Costs
(\$909,804)	(\$1,228,690)	(\$1,438,968)	(\$1,416,309)	= Power Supply benefit from existing Tesla batteries
	(\$342,149)	(\$747,784)	(\$1,260,499)	= Power Supply benefit from Resilient Homes starting in FY20 and Residential Storage Program starting in FY21
	(\$91,616)	(\$174,883)	(\$248,885)	= Power Supply benefit from EV Chargers and Aquanta, Mello, and Sensibo Devices
\$50,400	\$177,000	\$177,000	\$177,000	= Tier 3 expense (EV Chargers)
	\$53,496	\$53,496	\$53,496	= Expensed Equipment (Aquanta, Sensibo)
\$1,832,001	\$2,662,829	\$3,210,033	\$3,481,388	= Depreciation
\$1,503,935	\$1,937,361	\$2,147,843	\$2,092,034	= Return on Rate Base
				(Annualized)
				<u>FY2019</u> <u>FY2020</u> <u>FY2021</u> <u>FY2022</u>
				\$253,095 \$265,418 \$270,228 \$274,837 = O&M expense (excluding HPWHs)
				-\$563,694 -\$627,253 -\$396,775 -\$153,514 = A&G Absorbed that would otherwise flow to O&M
				-\$310,598 -\$361,835 -\$126,547 \$121,323 = Cost Impact Upon Platform
				50% 50% 100% 100% = Synergy Sharing
(\$155,299)	(\$180,917)	(\$126,547)	\$121,323	= Net Impact Upon Cost of Service due to O&M and A&G Absorbed
Annualized				
<u>FY2019</u>	<u>FY2020</u>	<u>FY2021</u>	<u>FY2022</u>	
\$62,311	\$1,224,372	\$1,222,148	\$1,001,807	= Total Impact Upon Cost of Service due to Innovative Pilot Programs
	\$1,162,061	(\$2,224)	(\$220,341)	= Year-over-Year Change in Cost of Service due to Innovative Pilot Programs

<u>FY2020</u>	<u>FY2021</u>	<u>FY2022</u>	<u>Total</u>
\$7,899,909	\$4,997,162	\$2,102,929	\$15,000,000 = Total plant placed into service in FY2020 - FY2022

GMP's plan is to manage to the capital investment of \$256.5M total plant in service over the three year period, which includes \$5M per year in new initiatives for a total of \$15M. While GMP's request for new initiatives exceeds \$5M in FY20, at this time GMP will continue to manage spending in this area over the course of the Plan within the cap, seeking annual approval of all innovative capital investments prior to including them in rate base, as required by the Plan. In the event that it benefits customers to invest above \$5M in any year, or above the total \$15M, GMP will seek PUC approval for such spending as required under Section IV(A)(1)(iv) of the Plan.

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Schedule G-2a
Impact of New Innovative Pilot Programs on FY 2021 COS

G-2 Impact of New Innovative Pilot Programs Upon FY2021 Cost of Service*

Two New Programs:

(Decrease)/Increase to Cost of Service

FY2021

(\$59,581) = Higher Retail Sales from EV Make Ready.

\$2,812 = Higher Power Costs Associated with Higher Retail Sales from EV Make Ready.

\$44,676 = Energy Bundle Services Solar Credit.

(\$52,656) = Power Cost Savings Associated with GMP Energy Bundle.

(\$64,750) = Total Incremental Impact on FY2021 COS for new Innovative Services that were not previously included in the FY2020 MYRP filing.

* Costs for new innovative programs that affect COS which were not in previous COS filings.
Because other costs including Plant Placed in Service are fixed, this Exhibit contains only the two items that affect COS - Revenue and Power Supply.

**Green Mountain Power
Multi-Year Regulation Plan**

**Schedule G-3
Capital Folder for GMP Energy Bundle**

To be provided as a separate document

**Green Mountain Power
Multi-Year Regulation Plan**

**Schedule G-4
Capital Folder for EV Make Ready**

To be provided as a separate document