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May 30, 2014

Ms. Susan M. Hudson, Clerk of the Board
Vermont Public Service Board
112 State Street, Drawer 20
Montpelier, Vermont 05601-2701

Re: EEU-2013-01 (EEU 2013-2014 Demand Resources Plan Proceeding) – Resource Acquisition and Non-Resource Acquisition Elements Workshops Comments on a Smart Grid Research and Development Pilot

Dear Ms. Hudson:

On May 14 and 15, 2014, the Vermont Public Service Board conducted a workshop in the above-captioned proceeding. One aspect of the workshop focused on whether a portion of the non-resource acquisition (NRA) budget should be reclassified as resource acquisition (RA) – research & development. The objective of such a reclassification would be to further evaluate if certain emerging technologies and program approaches could result in cost effective energy savings during the next triennial program period. In this filing, Burlington Electric Department (BED) offers the following comments regarding its proposed smart grid pilot program, which is currently budgeted as a NRA activity, and whether it should be reclassified as RA – research & development.

The purpose of BED's smart grid pilot is to explore if and how customers' data with respect to energy consumption can be utilized to successfully deliver effective programs that result in cost effective energy savings and demand reduction. The results of the pilot will provide stakeholders with additional insight into whether smart grid technologies motivate customers to change their energy consuming behavior and take meaningful actions to install "hard-wired" energy efficient measures. The results will also help stakeholders determine whether this type of program should be part of an overall resource acquisition strategy and budgeted as such rather than as non-resource acquisition initiative.

Since the workshops concluded, BED and the DPS have been discussing the merits of whether certain NRA activities that BED proposed in its April 16, 2014 filing should be reclassified. As a

result of these discussions, BED and the DPS agreed that two NRA activities would align with the DPS' research & development pilot concept and that the estimated expenditures associated with the below programs should be reclassified as RA – research & development.¹

1. UVM/BED Testing In-Home Devices with Students Living Off-campus Budget \$47,400

Activity Description- BED has the opportunity to work on an energy study, through UVM's Clean Energy Grant Fund, with faculty and PhD students from UVM's Rubenstein School of Environment and Natural Resources. The proposal is to study and support environmental behavior change among the college population living off-campus. One of BED's biggest residential energy efficiency challenges is addressing Burlington's large population of rental properties, and student rentals in particular. BED's participation in this study will help us to develop innovative and creative ways to engage this population.

2. Emerging Data Services and Analytics Budget \$32,100

Activity Description - BED plans to continue to explore and pilot tools that can help it and customers better understand energy usage patterns and trends in ways that gives quick and useful information. Such information may help BED and its customers identify both hard-wired and non-hard-wired behavioral energy saving opportunities as well as attribute savings.

BED has experience with Enernoc's Energy Insight tool and growing experience with the Skyspark platforms. BED has learned that these tools can be very helpful for certain customers but not all types of customers. BED plans to continue to test other tools that fit a larger percentage of our customer base.

The ability to test these various concepts will inform: if there are products and services available, customer and contractor acceptance issues, cost and implementation issues and if any of these activities should be considered as resource acquisition measures in the next DRP.

The two activities above do not fully cover the \$296,508 BED R&D pilot budget recommended by the DPS in its April 16, 2014 filing. Accordingly, BED will continue to work with the DPS and propose other activities that would align with the DPS' objectives.

BED has worked with the DPS to develop this recommendation. Further, the DPS has authorized BED to express its support of this recommendation. BED looks forward to working with the DPS and Efficiency Vermont on the further development of the R&D pilot concept.

¹ BED is not proposing to increase its overall EEU budget but only to transfer equal amounts of funds from its NRA budget to a new RA research & development budget.

Please feel free to contact me with any questions.

Sincerely,

BURLINGTON ELECTRIC DEPARTMENT

A handwritten signature in black ink, appearing to read "Chris Burns", written over the printed name.

Chris Burns

Director of Energy Services

cc: EEU 2013-01 Service List (electronic service only)