

**STATE OF VERMONT
PUBLIC UTILITY COMMISSION**

Case No. 25-XXXX-PET

Town of Stowe Electric Department Flexible Load Management Program for Electric Vehicle Charging	
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**PRE-FILED DIRECT TESTIMONY OF MICHAEL LAZORCHAK
ON BEHALF OF THE TOWN OF STOWE ELECTRIC DEPARTMENT**

August 18, 2025

Summary of Testimony

Michael Lazorchak's testimony sponsors the support for the Town of Stowe Electric Department's Flexible Load Management Program for Electric Vehicle and Electric Vehicle Supply Equipment. Michael sponsors the following exhibits:

EXHIBITS

**Exhibit SED ML-1
Exhibit SED ML-2**

**Resume
SED TOU Rates**

1 **Q1. Please state your name, occupation, and business address.**

2 **A1.** My name is Michael Lazorchak. I am the regulatory manager for the Town of Stowe
3 Electric Department (“SED”). My office address is 435 Moscow Road Stowe, Vermont.

4 **Q2. Describe your educational background and work experience.**

5 **A2.** My experience is described further in my resume attached as **Exhibit SED ML-1**.

6 **Q3. Have you previously provided testimony before the Vermont Public Utility**
7 **Commission?**

8 **A3.** Yes, I participate in dockets, hearings, workshops, and working groups before the
9 Vermont Public Utility Commission (“Commission”) on behalf of SED. I recently provided
10 testimony in Case Nos, 25-1167-PET and 25-1792-TF.

11 **Q4. What is the purpose of your testimony?**

12 **A4.** My testimony supports SED’s Flexible Load Management Program for Electric
13 Vehicle and Electric Vehicle Supply Equipment (“Program”). After Commission approval,
14 the Program will become part of SED’s Tier III program and satisfies SED’s statutory
15 mandate in Act 55, Section 33. The Program offers customers the opportunity to voluntarily
16 opt-into the Program to receive an off-peak rate for charging all electric and plug-in electric
17 vehicles (“EV”) and an incentive to participate in system peak curtailment calls. The rest of
18 my testimony explains the details of the Program and how it interacts with SED’s time of use
19 rates (“TOU”), which were filed in Case No. 25-1792-TF.

20 **Q5. Please describe the Program offered under this tariff.**

21 **A5.** In Case No. 23-3615-PET, SED was granted an extension of time to file with the
22 Commission rates related to electric vehicles and electric vehicle supply equipment as

1 required by Section 33 of Act 55. *See* Act 55 of 2021 (Public Act No. 55 (2021 Vt., Bien. Sess.)).
2 SED determined that filing revised TOU rates and implementing this Program to curtail electric
3 vehicle charging during transmission peaks was the most effective way SED can meet the
4 mandate in Act 55. SED's Board of Commissioners gave their unanimous approval to pursue
5 this plan on February 25, 2025. SED staff spent several months developing the TOU rates
6 required to support this Program and working with our enterprise software platform to make
7 sure SED could implement the Program. SED filed the revised TOU rates in Case No. 25-1792-
8 TF to take effect on October 01, 2025, to coincide with the implementation of the Program
9 described in this filing. SED's TOU rates are provided in **Exhibit SED ML-2**

10 The Program is voluntary and available to SED residential and commercial customers
11 that enroll an eligible device into the Program's communications platform, opts into the SED
12 TOU rate specific to the customer's rate class, has AMI metering, and participates in month
13 peak usage curtailment events ("Events"). Customer enrollment in this Program is managed by
14 Massachusetts Municipal Wholesale Electric Company's ("MMWEC") Connected Homes
15 Platform. This platform is available to any public power utility in the Northeast and streamlines
16 utility participation in the Virtual Peaker ("VP") distributed energy resource management
17 system platform. The VP platform provides a cloud based software solution to send a signal to
18 enrolled internet enabled smart devices to curtail use during peak events. MMWEC verifies
19 device enrollment into the Platform, makes peak curtailment calls, and verifies device
20 participation in each curtailment call. The utility is responsible for providing the monthly
21 incentive to those customers that participated in monthly curtailment events.

1 The Program requires a customer to opt into the TOU rate specific to their customer
2 class and remain enrolled in the TOU and Connected Homes platform for at least 12 months.
3 The 12-month enrollment period is designed to reduce administrative costs caused by
4 enrolling/unenrolling customers into TOU classes and to reduce free riders who can opt in and
5 out of the Program when it's convenient for their households. SED anticipates this Program and
6 the TOU Rates will provide a financial incentive to customers to shift their uncontrolled EV
7 and EVSE loads to off-peak hours when electricity prices are lower for SED and our customers.
8 The TOU rates are designed to provide a price signal to customers who can flex discretionary
9 loads to off-peak hours, which allows SED and its customers to capture value through customer
10 behavior modification that moves electric consumption from expensive on-peak hours to less
11 expensive off-peak hours. The Program can allow SED and its customers to reduce power
12 supply costs by reducing electric demand during peak events.

13 The Program requires a customer to have Advanced Metering Infrastructure ("AMI"),
14 which improves TOU rate design, demand management programs, and gives the customer more
15 insight into their electricity usage. AMI paired with SED's customer portal also allows
16 customers to access their interval data and better understand what electric loads are responsible
17 for their electricity consumption, which can help customers to determine what loads are flexible
18 to shift to off-peak hours.

19 In addition to the cost savings for charging EVs during off-peak hours under the TOU
20 rates, the Program provides up to three incentives for participating customers: a) SED's Tier III
21 rebates for qualifying EVs and EVSE; b) a one-time \$100 enrollment incentive to encourage
22 participation; and c) a \$10/month per qualifying device incentive to participate in peak usage

1 curtailment events. The one-time enrollment incentive is available for each EV or EVSE
2 enrolled in the Program and registered to a SED meter holder. The incentive is shared with
3 Efficiency Vermont (“EVT”) to motivate increased customer participation and allow EVT staff
4 to learn from the data gathered from charging session. The \$10 per device monthly incentive is
5 available per household for an EV or an EVSE that meets the Program’s enrollment
6 requirements and participates in the monthly curtailment events. A customer can enroll up to 3
7 EVs or 1 EVSE into the Program; however, the customer cannot enroll EVs and EVSE into the
8 Program.

9 The Program allows a customer to opt out of any curtailment event, however, if the
10 customer opts-out of more than 2 events in a month, the customer will not receive the device
11 incentive for that month. Similarly, if an EV is not within SED’s service territory (or reachable
12 through telematics) during a curtailment call or if an EVSE is not reachable during a curtailment
13 call, then the customer is not eligible to receive the monthly incentive. The Program design does
14 not allow for a customer to receive a monthly incentive for a device that is not capable of
15 curtailing electric usage, because the events are designed to reduce SED’s peak usage. The
16 incentive allows SED to share the anticipated cost savings from curtailing system load with the
17 Program participants that curtail EV or EVSE loads that would otherwise use grid services
18 during peak events.

19 **Q6: Please describe the cost savings to SED and its Customers.**

20 **A6:** This Program relies on reducing transmission costs paid by SED and its ratepayers
21 through curtailing electricity demand during peaks and shifting discretionary electric loads
22 from on-peak to off-peak time periods. SED’s program design links SED’s Tier III rebates for

EVs and EVSE to a TOU Rate (to provide a price signal for customers to shift their EV and EVSE loads to off-peak periods) and an on-bill discount for curtailing usage from enrolled devices during peak events. This allows SED to provide a framework to track and manage EV and EVSE loads on our system that are a result of our successful Tier III program. The one-time \$100 enrollment rebate should motivate customers to enroll in Program and commit to making behavioral changes to shift unmanaged EV charging to off-peak hours.

The fixed costs for SED's enrollment into Connected Homes Platform are a one-time onboarding fee of \$2,655 paid to MMWEC, and annual payments paid to MMWEC (\$3,500) and VP (\$7,500) for device enrollment and program management costs. Variable costs to SED are the monthly incentives paid to customers for participating in curtailment calls and the cost of the Tier III rebates provided to EVs and EVSE owners. MMWEC provided an initial estimate of variable incentive costs based on enrolling 60 devices in Year 1, which is based on similar sized municipal utilities already participating in Connected Homes. MMWEC provided a 5-year estimate for SED's participation in the program:

Item	Year 1	Year 2	Year 3	Year 4	Year 5	
Estimated Devices	60	72	86	104	124	Participation based on the onboarding of a recent MLP.
Estimated Variable Fees	\$3,744	\$5,184	\$5,366	\$6,489	\$7,737	Variable fees are incentives paid out to customers, based on an estimated blend of device types.

MMWEC also provided an estimated return on the investment to SED, which is based on reducing the utility's electric load during peak events, as follows:

	2025	2026	2027	2028	2029
Kw Impact	175	210	252	302	363
Transmission Savings	\$32,356	\$38,617	\$49,615	\$61,956	\$78,699
Capacity Savings	\$ -	\$6,534	\$8,777	\$10,833	\$15,663
Annual Savings	\$32,356	\$45,152	\$58,393	\$72,790	\$94,363
Cost	\$14,744	\$16,184	\$16,366	\$17,489	\$18,737
Net	\$17,612.	\$28,968	\$42,027	\$55,301	\$75,626

The table above shows Yr 1 costs as \$14,744 and Yr 1 power supply savings of \$32,356. This shows a net positive program in Yr 1 to SED. There are no capacity savings in Yr 1; however, as the Program matures, we expect to see savings attributed to capacity reductions. SED will account for the Connected Homes Program costs and incentives in its 2026 Tier III Plan, which will be filed later in the year.

Q7: Please describe how the Program design benefits SED and its ratepayers.

A7: The Program design allows SED to use revised TOU rates to send clear price signals to EV owners to shift their charging habits to utilize off-peak pricing and allows SED to leverage MMWEC's Connected Homes platform to participate in VP's demand-side management platform. This provides SED an effective way to meet the mandate in Act 55, Section 33.

This Program offers SED ratepayers a voluntary opt-in tariff that provides EV and EVSE owners an opportunity to receive a lower electric rate for shifting EV charging to off-peak hours. The Program also offers an additional incentive for participating in monthly peak usage curtailment events. Therefore, the Program's design makes it easy for SED, as a small public power utility, to participate in MMWEC's Connected Homes platform and VP's demand-side management program. Connected Homes has been operational since April 2020 and has 16 participating utilities. MMWEC, on behalf of member utilities, manages device

1 enrollment, customer enrollment, peak prediction services, and tracking device participation in
2 curtailment calls. Because MMWEC's enrollment platform manages customer enrollment,
3 MMWEC also provides customer service and technical assistance support, which reduces costs
4 and staff burden for member utilities.

5 MMWEC staff will predict the monthly ISO-NE and the Regional Network Service
6 (VELCO) peak usage periods and send a curtailment signal through VP's demand management
7 program to each device owned by an SED ratepayer to curtail electric usage. SED expects
8 approximately 1-5 event calls each month and each event is expected to last 3-4 hours. The
9 customer has the option to override the event; however, if a customer overrides more than 2
10 curtailment calls in a month, they will not receive the monthly benefit that is available under
11 this Program. MMWEC's experience with ISO-NE markets and load forecasting to make
12 accurate curtailment calls allows SED to offer this demand management program without the
13 need for SED to hire staff to forecast peaks and make curtailment calls.

14 MMWEC's relationship with VP allows each enrolled utility to take advantage of
15 MMWEC's peak forecasting and the peak usage curtailment calls without assuming the expense
16 and responsibility to develop an internal curtailment call process. VP was formed in 2015 to
17 offer an internet-based communications platform to send alerts to enrolled smart devices.
18 Because VP depends on internet communications, participating customers are responsible for
19 WIFI connectivity to their enrolled devices and enrolling in the communications portal that
20 links the eligible devices to the demand-side management platform. VP's platform allows
21 customers across the ISO-NE service territory to aggregate their potential to curtail demand
22 from enrolled devices during peak events that otherwise would be drawing electricity from the

1 transmission and distribution systems. VP is responsible for integrating smart devices into their
2 platform, maintaining the cloud platform to send signals to enrolled devices, and maintaining
3 the list of enrolled devices through MMWEC's Connected Home Program.

4 SED will remain responsible for communicating the Program to our customers and will
5 provide the monthly incentive, paid quarterly, to qualifying customers. SED will also continue
6 to operate its Tier III Program, which offers rebates for the purchase of EVs and EVSE to SED
7 customers. EVT will support SED with reimbursement for the enrollment incentive. EVT will
8 also assist SED with joint marketing and communication campaigns to encourage participation
9 in the Program. EVT will also work with SED under its Flexible Load Management ("FLM")
10 program to provide technical assistance to learn from the Program design. EVT staff will receive
11 anonymized data from SED showing the participation rate and results from the peak usage
12 curtailment calls. SED believes this partnership with EVT will improve our ability to offer
13 meaningful flexible load management programs to our ratepayers.

14 **Q8. Please explain the marketing and outreach strategy for the Program**

15 **A8.** SED will continue to utilize its Tier III Program to market rebates for beneficial
16 electrification and fuel-switching, which includes informing customers about the Connected
17 Homes Program. SED staff will send a mailer to every SED customer who has received a Tier
18 III rebate for an EV or EVSE to encourage their participation in this Program. SED will develop
19 specific outreach programs through our partnerships with MMWEC, EVT, and the Town of
20 Stowe Energy Committee to educate our ratepayers about this Program. SED staff will work
21 with MMWEC and EVT staff on direct messaging to customers to ensure customers are
22 receiving clear and consistent messaging.

1 SED will use social media outreach, website messaging, direct communication through
2 on bill messaging, newspaper advertisements to communicate the benefits of the Program and
3 how to participate. Outreach will include a link to the Connected Homes website and SED's
4 website will also provide a direct link to the enrollment page for Connected Homes. Because
5 customers enroll through the Connected Homes website managed and maintained by MMWEC,
6 SED worked with MMWEC to provide a direct link to the Connected Homes website through
7 SED's website.



Connected Homes

WiFi connected devices make it easy and convenient to manage your home's energy use. You can adjust your device's energy usage remotely, or set an automatic schedule that optimizes energy usage based on your routine. And by signing up with Connected Homes, you'll receive monthly incentives for participation! Connected Homes leverages the technology of smart appliances and devices to save you money. The program also helps Stowe Electric better manage its electric load, reduce overall costs, and keep rates low.

8
9 SED is working with EVT to promote the Program on EVT's PowerShift website, which
10 informs customers in Washington Electric Cooperative's service territory about EV and EVSE
11 demand-side management opportunities.

12 **Q9. How is the program consistent with the criteria set forth in Act 55, Section 3?**

13 **A9.** The program meets the Act 55 criteria as follows:

14 *(A) support greater adoption of PEVs;*

1 This Program is designed to encourage adoption of EV and EVSE by offering TOU
2 Rates that provide reduced rates for off-peak charging, an enrollment incentive for registering
3 qualified EVs and EVSE in the Program, an additional monthly incentive for participating in
4 curtailment calls, and a Tier III rebate for purchasing or leasing an EV or EVSE. The Program
5 requires enrolling in SED's TOU Rate applicable to the customer's rate class to encourage
6 customer behavior that shifts EV charging to cheaper off-peak hours. This Program supports
7 EV and EVSE for customers who do not have compatible devices or do not wish to enroll in
8 the peak curtailment Program by providing the opportunity to enroll in the TOU and charging
9 during cheaper off-peak time periods.

10 *(B) adequately compensate PEV operators and owners of EVSE available to the public for the*
11 *value of grid-related services, including costs avoided through peak management;*

12 This Program is based on customer participation in peak usage curtailment calls and
13 SED's TOU rates. SED's public charging stations will not be part of this Program and will
14 remain available to customers according to the terms of SED's Rate 35. SED understands that
15 customers who travel to Stowe for work or business need reliable charging infrastructure to
16 return to their residence at the end of the day. SED will not curtail charging at its publicly
17 available stations to allow these EV and EVSE users to return to their destination outside of
18 SED's service territory.

19 EVSE charging that is made available to the public but owned by a commercial or multi-
20 family residential customer is eligible for this Program if the customer elects to enroll their
21 device into the Program. The Program provides compensation to the EV and EVSE owner
22 through the TOU Rate, shifting discretionary charging to off-peak hours, and provides a cost

1 sharing to the EVSE owners for participating in peak curtailment events through a monthly bill
2 credit. The customer that has installed publicly available EVSE must make the decision to
3 participate based on their load shape and ability to shift EV charging to off-peak hours.

4 (C) adequately compensate the electric distribution utility and its customers for the additional
5 costs that are directly attributable to the delivery of electricity through a PEV rate;

6 The TOU Rate captures the costs to the utility for electric usage that is on-peak and off-
7 peak. Customers that can shift electric loads to off-peak hours when electric rates are lowest
8 will receive a share of the savings to SED for shifting away from expensive on-peak hours.
9 Because a participating customer will shift discretionary charging loads to off-peak hours, SED
10 should experience power purchase costs savings. The TOU Rate gives customers the
11 opportunity to take advantage of reduce electric rates for off-peak charging and the Program's
12 rate design captures the cost of delivering electricity to the customer whether the customer elects
13 to charge on-peak or off-peak.

14 This Program also leverages Tier III rebates, EVT's Flexible Load Management
15 funding, and incentives to curtail EV loads to further incentivize EV users to curtail charging
16 when power supply costs are more expensive. The Program participant receives both the benefit
17 from the TOU rate (charging off-peak) and the benefit of curtailing charging during peak usage
18 events (curtailing usage that otherwise could occur) to encourage behavioral changes that
19 benefit SED and its ratepayers. The TOU can also encourage customers who do not have
20 eligible devices to enroll in the Program, but still have an EV or EVSE, enroll in the TOU Rate
21 to take advantage of reduced off-peak rates.

1 (D) include a reasonable contribution to historic or embedded costs required to meet the overall
2 cost of service;

3 This Program makes sure that enrolled customers pay their fair share of SED's cost of
4 service by enrolling in the TOU rate. Curtailing consumption during peak usage events also
5 reduces SED's incremental cost of energy and the monthly incentive is offered to customers to
6 reduce SED's overall cost of service.

7 (E) do not discourage EVSE available to the public; and,

8 This Program is only available to residential and commercial customers that meet the
9 Program terms and conditions. SED owns and operates public EVSE in Stowe and designed
10 this Program to not impact EV users from accessing SED owned EVSE.

11 (F) do not have an adverse impact to ratepayers not utilizing the PEV rate.

12 The Program minimizes adverse impacts for customers who do not participate in the
13 rate by requiring customers who enroll in the Program take service under a TOU, which captures
14 the incremental cost of service attributable to the EV charging loads. Customers who utilize
15 workplace or residential charging that are not part of this Program or who utilize EVSE that
16 does not charge a fee for EV charging will not be impacted by this Program. A customer
17 charging at a workplace charger or charger that is not WIFI enabled and cannot bill the customer
18 for the energy consumption will not see an impact from charging on-peak or during a peak, and
19 will not have their service curtailed during a peak event. Similarly, this Program is not likely to
20 negatively impact customers with an EV who elect to remain on SED's Rate 1, because these
21 customers will still be able to charge their EV at their discretion at home or at one of SED's
22 publicly available charging stations.

1 **Q10.** **Does this conclude your testimony?**

2 **A10.** Yes.

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DECLARATION OF MICHAEL LAZORCHAK

3 I declare that the testimony and exhibits that I have sponsored are true and accurate to
4 the best of my knowledge and belief and were prepared by me or under my direct
5 supervision. I understand that if the above statement is false, I may be subject to
6 sanctions by the Commission pursuant to 30 V.S.A. § 30.

7

8

9 August 18, 2025

10 Date

11

Michael Lazorchak

Michael Lazorchak

Town of Stowe