

STATE OF VERMONT
PUBLIC UTILITY COMMISSION

Case No. 25-0948-PET

Petition of Green Mountain Power for investment in its customer-driven Energy Storage System program pursuant to the tariffed new initiative provision of the multi-year regulation plan	
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Order entered: 11/07/2025

ORDER APPROVING PETITION TO INCREASE SPENDING ON ENERGY STORAGE SYSTEM PROGRAM

In this order, the Vermont Public Utility Commission (“Commission”) adopts the following proposal for decision.

PROPOSAL FOR DECISION

I. INTRODUCTION

This case involves a petition filed by Green Mountain Power Corporation (“GMP”) with the Vermont Public Utility Commission (“Commission”). GMP’s petition, which was filed pursuant to 30 V.S.A. § 218d and Section IV(A)(iv) of GMP’s Multi-Year Regulation Plan (“MYRP”), initially sought approval of additional capital investments up to \$32 million in support of GMP’s Energy Storage System Tariff (“ESS program”) under the Tariffed New Initiatives provision of the MYRP. GMP subsequently agreed to limit its request to \$16 million. I recommend that the Commission approve GMP’s modified request and authorize GMP to spend up to an additional \$16 million on capital investments for its ESS program subject to reporting requirements described below.

II. PROCEDURAL HISTORY

On May 13, 2025, GMP filed its petition, which was supported by the prefiled testimony of Madeline Murray-Clasen and a supporting exhibit. The exhibit includes updated financial modeling for GMP’s ESS program.

On August 4, 2025, the Vermont Department of Public Service (“Department”) filed comments on the petition. The Department recommends that the Commission limit GMP’s

requested increase in capital spending on the ESS program to \$16 million. The Department states that this increase will allow GMP to continue with the ESS program but maintain appropriate safeguards during the remaining term of the MYRP.

On August 7, 2025, GMP filed a response to the Department's recommendation. GMP does not object to the Department's recommendation and agrees to limit its requested capital spending increase for the ESS program to \$16 million.

No party has requested an evidentiary hearing or objected to the prefiled testimony and exhibits. Accordingly, the following prefiled testimony and exhibits are admitted as if presented at a hearing: the prefiled direct testimony of Madeline Murray-Clasen ("Murray-Clasen pf.") and exhibit GMP-MMC-1; the Department's 8/4/25 comments; and GMP's 8/7/25 response.¹

III. FINDINGS

Pursuant to 30 V.S.A. § 8(c), and based on the record and evidence before me, I present the following proposed findings of fact to the Commission.

1. The ESS program was originally approved by the Commission as a tariffed service offering on May 20, 2020, in Case No. 19-3167-TF.² The Commission extended the program through September 30, 2026, in Case No. 21-5254-TF.³ Murray-Clasen pf. at 4.

2. Customers that participate in the ESS program lease residential energy storage systems from GMP for either \$55 per month or a one-time up-front \$5,500 payment. The leases are set for ten-year terms with a five-year cost-free renewal option. Murray-Clasen pf. at 7.

3. Customers can use the systems for backup power during outage events. GMP can also remotely access the storage systems for peak management and other grid services. Murray-Clasen pf. at 7.

4. GMP plans to continue offering Tesla Powerwall systems for the ESS program but will also make available equivalent systems that meet criteria for cost-competitiveness and

¹ If any party has an objection to any of these documents being entered into evidence, the party shall submit its objection within 14 days of the date this Order is entered.

² *Tariff filing of Green Mountain Power Corporation for approval of an Energy Storage System tariff effective on bills rendered on or after September 15, 2019*, Case No. 19-3167-TF, Order of 5/20/20.

³ *Tariff filing of Green Mountain Power Corporation for extension of Bring Your Own Device Program and Energy Storage System Service tariffs effective on bills rendered on or after January 29, 2022*, Case No. 21-5254-TF, Order of 5/6/22.

compatibility with GMP's grid-management requirements. Other potential storage system suppliers include Franklin, Fortress, Emporia, and Enphase. Murray-Clasen pf. at 7-8.

5. The ESS program initially included a 5 MW annual cap. This cap enabled GMP to complete approximately 500 residential storage installations. Murray-Clasen pf. at 4.

6. The current MYRP initially authorized GMP to spend \$6.2 million annually on the ESS program, which was based on GMP's historical trend of completing approximately 350 installations per year. This authorization was based on an annual 5 MW cap. Murray-Clasen pf. at 4.

7. In 2024, the Commission authorized GMP to modify the ESS Program to remove the 5 MW annual cap.⁴ Murray-Clasen pf. at 4.

8. Also in 2024, the Commission authorized GMP to modify the MYRP to increase the annual spending limits for the ESS program by \$15 million.⁵ Murray-Clasen pf. at 4-5.

9. There are currently more than 4,220 customers enrolled in the ESS program. In total, the ESS program provides over 40 MW of residential capacity to GMP's storage resources. Murray-Clasen pf. at 5.

10. Between September 2024 and March 2024, 610 customers signed up for the ESS program and GMP completed 578 installations. GMP forecasts that this demand rate and pace of installations will remain consistent for the remaining term of the MYRP, which expires on September 30, 2026. At this pace, GMP would install approximately 1,400 ESS program systems over the remaining term of the MYRP. Murray-Clasen pf. at 5-6.

11. For purposes of regulatory accounting, GMP will follow the requirements of Section IV(A)(iv) of the MYRP. Under this process, GMP will recover in rates expenses associated with the systems installed as part of the ESS program. The expenses will be included in GMP's annual MYRP base-rate filings or future rate cases. For any systems installed before September 30, 2025, GMP will include the costs in the FY 2027 rate case that is expected to be filed in January 2026. Any ESS program amounts closed to plant after September 30, 2025, will be

⁴ *Tariff filing of Green Mountain Power Corporation for revisions to Energy Storage System Service and Bring Your Own Device Program Tariffs to be effective June 10, 2023*, Case No. 23-1335-TF, Order of 8/17/23.

⁵ *Petition of Green Mountain Power Corporation for treatment of its Energy Storage System tariff as a "tariffed new initiative" pursuant to Section IV(A)(iv) of GMP's Multi-Year Regulation Plan and 30 V.S.A. § 218d*, Case No. 24-1715-PET, Order of 9/10/24.

included in a future base-rate filing under a successor alternative regulation plan or a future rate case. Murray-Clasen pf. at 6-7.

12. GMP's petition is supported by updated financial modeling for the ESS program that shows that each residential storage installation has an approximately \$7,100 positive net present value. The updates to GMP's financial model include a reduction to the Forward Capacity Market and Regional Network Service savings because the amount of peak shaving per MW of capacity is expected to decline as more in-state and regional peak-shaving resources come online. GMP's modeling was revised to extend the expected useful life of the storage systems from 15 to 20 years. GMP also incorporated new values for frequency regulation and energy arbitrage, adjusted Investment Tax Credit inputs, and added end-of-life removal costs to the models. Murray-Clasen pf. at 9-13; exh. GMP-MMC-1.

IV. DISCUSSION

The New Initiatives provision included in Section IV(A)(1)(iv) of the MYRP provides GMP with the opportunity to request approval for additional capital investment spending that is beyond the total capital spending limit set forth in the MYRP.⁶ According to the MYRP, the additional spending is not recoverable through rates until after the associated capital projects are completed and recorded to plant in service. The projects recorded to plant in service accrue to a regulatory asset that must be included in a future base-rate filing to be collected.

GMP's petition in this case mirrors the request that was approved by the Commission last year in Case No. 24-1715-PET. In that case, the Commission authorized a \$15 million increase to the annual cap on ESS program installations. However, the Commission's approval order emphasized that:

Growth of the ESS program exposes GMP ratepayers to potential financial risks because the utility-level financial impact of the battery storage in future years may vary from GMP's current assumptions. By increasing the ESS program spending limit by \$15 million rather than removing the limit entirely, the Commission and the Department can continue to monitor program growth to ensure that GMP appropriately balances financial risks. This process allows participating customers

⁶ As discussed in the findings above, the initial annual cap was approximately \$6.2 million. That cap has since been increased by \$15 million annually.

to benefit directly from battery storage now without creating an unchecked financial risk for ratepayers overall while GMP's assumptions are tested.⁷

The Department filed comments in this case that share this sentiment. The Department acknowledges the potential benefits of the ESS program that could be achieved by providing “value to the grid, and to all ratepayers, by lowering peak loads and participating in regional markets.”⁸ The Department also states that it “finds [GMP's] overall analysis of net present value of spending and revenues to be reasonable; proposed expenditures are currently expected to continue to hold a value for all ratepayers.”⁹ Nonetheless, the Department asserts that the ESS program continues to carry financial risks and that those risks are magnified as the scope of the program expands. The Department also notes that “GMP's \$32 million proposal contemplates an amount of capital expenditure approaching the total spending amount for all new initiatives assumed for the entire term of the MYRP, and more than 25% of the overall FY26 capital expenditures approved in that same MYRP.”¹⁰ Based on these considerations, the Department recommends that the Commission partially approve GMP's petition and limit the spending cap increase to \$16 million.

In response to the Department's recommendation, GMP filed brief comments stating that it does not oppose the Department's proposal to limit the spending cap increase to \$16 million. GMP states that this amount would be sufficient to cover installations through the beginning of 2026, when it plans to file its next iteration of the ESS tariff, which is currently set to expire in September 2026.¹¹

Having reviewed the evidence in this case and the parties' filings, I recommend that the Commission authorize GMP's modified request for \$16 million of additional investment in the ESS program. Consistent with the requirements set out in the Commission's order in Case No. 24-1715-PET, GMP updated its financial modeling for the ESS program. Like the Department, I find that GMP's financial modeling, which shows that the ESS program continues to be expected to achieve a positive net present value for all GMP ratepayers, is reasonable. As the Commission flagged in Case No. 24-1715-PET, the ESS program carries financial risk — a risk that will only

⁷ Case No. 24-1715, Order of 9/10/24 at 6.

⁸ Department Comments at 2.

⁹ *Id.* at 3.

¹⁰ *Id.* at 2-3.

¹¹ GMP 8/7/25 Comments at 2.

increase as the program continues to expand. However, I agree with the Department that GMP has demonstrated adequate demand for the ESS program, that GMP has managed the program well to date, and that GMP should be able to continue with the program as the current MYRP winds down.

Additionally, as GMP's filings in this case note, GMP will need to file a new ESS program tariff with the Commission next year. GMP's proposed successor MYRP is also currently pending before the Commission. Therefore, the ESS program will be subject to extensive regulatory review in the near future. GMP should anticipate that the Commission will examine all aspects of the ESS program during this review, including a focus on revenue assumptions that are embedded in GMP's modeling.¹² These processes will allow for detailed evaluations of both the efficacy of the ESS program and appropriate guardrails to effectively manage financial risk associated with the program should it continue in the future.

I also recommend that the Commission require that GMP continue to be bound by the reporting requirements that were included in the final order in Case No. 24-1715-PET, including a requirement that GMP file an annual report independent from the MYRP annual report that: (1) describes all battery programs, including pilot programs and programs that focus on customers with low incomes; (2) includes a narrative explanation of energy-storage-related performance metrics results; (3) includes financial performance results for past years since each of the programs began; and (4) includes updated net-present-value calculations for each battery program that incorporate the financial results of actual operations and any changes to forecasted operations.

V. CONCLUSION

In this proposal for decision, I recommend that the Commission authorize GMP to spend up to an additional \$16 million on capital investments for its ESS program subject to reporting requirements described above. This Proposal for Decision has not been circulated to the parties pursuant to 3 V.S.A. § 811 because it is not adverse to any party.

¹² For example, in Case No. 25-0719-TF, which involved a proposed storage tariff that GMP withdrew, the Department raised concerns about GMP's inclusion of capitalized administrative and general costs as a financial benefit of residential storage systems in the financial modeling for the program. We anticipate that this issue will be addressed in the next tariff filing for the ESS program.

Date: November 7, 2025



Daniel Burke, Esq.
Hearing Officer

VI. ORDER


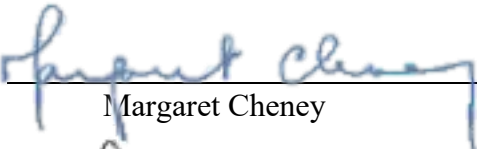
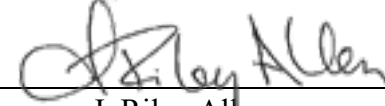
IT IS HEREBY ORDERED, ADJUDGED, AND DECREED by the Vermont Public Utility Commission (“Commission”) that:

1. The findings, conclusions, and recommendations of the Hearing Officer are hereby adopted. All findings proposed by parties, to the extent that they are inconsistent with this Order, were considered and not adopted.

2. Green Mountain Power Corporation’s (“GMP”) modified request to treat capital investments in support of its Energy Storage System tariff (“ESS program”) that are above the capital investment limit according to the New Initiative Tariffed Offerings (“New Initiatives”) provision of the MYRP and to increase the capital investment spending limit on its ESS program by \$16 million through the end of the MYRP is approved.

3. GMP is required to file an annual report independent from the MYRP annual report that (1) describes all battery programs, including pilot programs and programs that focus on customers with low incomes; (2) includes a narrative explanation of energy-storage-related performance metrics results; (3) includes financial performance results for past years since each of the programs began; and (4) includes updated net present value calculations for each battery program that incorporate the financial results of actual operations and any changes to forecasted operations. The report will be due at the same time as the MYRP annual report and must be filed in a separate report case.

Dated at Montpelier, Vermont, this 7th day of November, 2025.

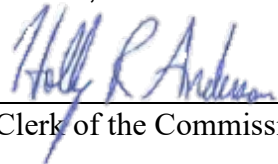
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Edward McNamara)	PUBLIC UTILITY
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Margaret Cheney)	COMMISSION
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)	
J. Riley Allen)	OF VERMONT

OFFICE OF THE CLERK

November 7, 2025

Filed:

Attest:


 Clerk of the Commission

Notice to Readers: This decision is subject to revision of technical errors. Readers are requested to notify the Clerk of the Commission (by e-mail, telephone, or in writing) of any apparent errors, in order that any necessary corrections may be made. (E-mail address: puc.clerk@vermont.gov)

Appeal of this decision to the Supreme Court of Vermont must be filed with the Clerk of the Commission within 30 days. Appeal will not stay the effect of this Order, absent further order by this Commission or appropriate action by the Supreme Court of Vermont. Motions for reconsideration or stay, if any, must be filed with the Clerk of the Commission within 28 days of the date of this decision and Order.

PUC Case No. 25-0948-PET - SERVICE LIST

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