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May 21, 2019

Ms. Judith Whitney, Clerk
Vermont Public Utility Commission
112 State Street, Floor 4
Montpelier, Vermont 05620

Re: Case No. 19A-1242
PSD Response to GMP's May 15, 2019 Reply Comments

Dear Ms. Whitney:

On May 16, 2019, the Public Utility Commission (Commission) issued a Memorandum requesting that the Department of Public Service (Department) respond to the Green Mountain Power Corporation's (GMP) May 15, 2019 reply comments regarding GMP's Resilient Home innovative pilot (RH Pilot). Specifically, the Commission requested that the Department "state whether it continues to seek suspension and investigation of the [RH Pilot] or whether the Department's concerns may be addressed by GMP's reply and willingness to amend the [RH Pilot]." Although the Department retains concerns regarding the RH Pilot, the Department is satisfied that GMP's response sufficiently addressed the issues that had the largest potential for adverse ratepayer impact. The Department, therefore, withdraws its request that the Commission suspend and investigate the RH Pilot.

In its May 15 comments, GMP committed to limit the scope of the RH Pilot to 500 participants, of which only 250 will participate by acquiring a Tesla Powerwall system directly from GMP.¹ GMP further committed to file a tariff to provide Tesla Powerwall systems as a permanent service offering within 60 days.² Together, these commitments will mitigate the ratepayer risks and barriers to competition identified by the Department in its initial comments. GMP's commitment to file a tariff will also ensure that the costs and benefits of a broader deployment of Powerwalls are examined within the context of a thorough, open, and transparent review subject to the Commission's contested case requirements. Accordingly, the Department finds that it would be appropriate for the Commission to allow GMP to proceed with the RH Pilot without investigation subject to these commitments.

Although the Department is generally satisfied with the representations made in GMP's May 15 letter, the Department continues to have some concerns with the proposal. These concerns, which are detailed below, are comparatively minor and the Department is now of the view that they can be addressed through further direct communications between the Department and GMP. Indeed, the Department appreciates GMP's willingness both to revise its RH Pilot to

¹ Letter from Josh Castonguay to Judith C. Whitney, Clerk of the Commission, dated May 15, 2019, at 3.

² *Id.*

address the Department's concerns and continue to engage the Department on the RH Pilot and the innovative pilot process generally.

First, while the Department is supportive of GMP's ability to provide innovative offerings to customers, the Department remains concerned about GMP advertising a proposed pilot prior to the end of the 15 day notice period. In its May 15 comments, GMP states that it did not enroll any customers in the program, but did allow customers to "'save their spot' in a queue."³ Advertising participation in a program that has not yet undergone regulatory review creates the potential for confusion for GMP customers. Although the Department had an opportunity to review some version of the proposal prior to the notice filing, the Commission had no such opportunity. The Department appreciates and understands GMP's focus on moving forward on such offerings as expeditiously as possible; however, the purpose of the proposed pilot is to better understand the ability to use storage inverters as a metering device and gauge customer interest regarding flat pricing. In the Department's view, a 15-day waiting period does not appreciably delay the potential benefits of the proposed program.

Second, the Department appreciates GMP's assurances regarding consumer protections. In its comments, GMP clarified that participation in the RH Pilot will require approximately 1 GB per month of data consumption from the customer's internet service. While this amount may be minimal for customers with unlimited data broadband plans, customers that receive internet service subject to data caps (such as wireless service with a home-based "hotspot" device or fixed modem), this amount of data could potentially represent one-fifth of a monthly data cap by an internet service provider. Therefore, including both the approximate data consumption as well potential inaccuracies of the Tesla Powerwall System's metrology components clearly within the Customer Acknowledgements section of customer agreement is a necessity. The Department is satisfied with GMP's responses on these points, but customer protections could be further enhanced by GMP training its customer service representatives to discuss these issues as standard operating procedures during point of sale discussions and information exchanges with interested consumers.

Third, with respect to third-party participation, GMP has more clearly committed to facilitating the Bring Your Own Device (BYOD) portion of the pilot by committing to cap enrollment of Tesla Powerwall systems through GMP at 250 customers. GMP further represents that it may propose an amendment to the RH Pilot that could improve third-party participation. This alternate approach would modify the BYOD offering to allow third-party providers to sell already installed systems to GMP, which in turn would then be able to take advantage of the Investment Tax Credits. While the Department supports the cooperative efforts of GMP and Renewable Energy Vermont (REV), this alternative BYOD offering will likely raise separate concerns. It is important for GMP to provide third-party providers with equivalent access to its network facilities and comparable compensation for services delivered to the network. However, this alternate approach to the BYOD offering does not appear to achieve these objectives and may ultimately result in unnecessary growth in rate base. The Department recognizes that this alternate BYOD mechanism is still in the conceptual phase, and the Department will review any such amendment to the RH Pilot and its potential benefits and drawbacks if and/or when it is

³ *Id.* at 4.

finalized by GMP. The Department will also attempt to work with GMP and REV directly on this issue before any formal filing is made with the Commission.

Finally, and to be clear, the Department's withdrawal of its request for a suspension of the pilot and further investigation should not be interpreted as the endorsement of inverter-based metering as an adequate source of data for customer billing determinants. If the RH Pilot reveals that Powerwall inverter-based metering is sufficient for GMP's purposes, and GMP subsequently proposes to make inverter-based metering a standard option in any future offerings, the Department would at such time recommend an investigation into the reliability, accuracy, security, efficacy, and applicability of customer energy metering using inverters subject to applicable law and regulation.

Please let me know if the Commission has any additional questions or concerns regarding this filing.

Sincerely,

/s/ Daniel C. Burke

Daniel C. Burke

Special Counsel

cc: Melissa Stevens, Esq., Green Mountain Power (by ePUC)
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