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May 6, 2021

Holly Anderson, Clerk  
VERMONT PUBLIC UTILITY COMMISSION  
Peoples United Bank Building, 4<sup>th</sup> Floor  
112 State Street  
Montpelier, VT 05620-2701

Re: Case No. 20-2022-INV

Calculation of the Efficiency Vermont Energy Fixed Monthly Efficiency Charge Rates  
for Year 2021.

Dear Ms. Anderson:

On April 9, 2021, Efficiency Vermont (“EVT”) filed a proposal for the 2021 Fixed Monthly Energy Efficiency Charges (“Fixed Monthly EECs”) that is scheduled to go into effect on July 1, 2021, for customers located in EVT’s service area. On April 29, 2021, EVT revised its proposal for corrections and adjustments in consultation with the Department of Public Service. The Vermont Public Utility Commission (“Commission” or “PUC”) requested comments on EVT’s proposal, after approving an extension, by May 6, 2021. Green Mountain Power Corporation (“GMP”) submits the following comments on EVT’s revised proposed Fixed Monthly EECs.

EVT has proposed the following Fixed Monthly EECs that will apply to net metering customers without gross metering equipment necessary to measure their gross electric consumption. These Fixed Monthly EECs can be broken down into two groups: those for customers who would normally pay charges to EVT based solely on consumption (kWh); and those for customers who would normally pay charges to EVT based on both consumption (kWh) and demand (kW).

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<u>Class</u>	<u>Consumption-based Fixed Monthly EEC</u>
Residential	\$6.80/month
Commercial	\$6.33/month
Industrial	\$586.49/month

<u>Class</u>	<u>Consumption and Demand-Based Fixed Monthly EEC</u>
Commercial	\$85.53/month
Industrial	\$1,915.71/month

GMP has no comments regarding EVT’s proposed charges for customers subject to consumption-based Fixed Monthly EECs.

For those classes of customers subject to both consumption and demand-based Fixed Monthly EECs, we note that EVT’s listed Fixed Monthly EEC is for energy (kWh) only. That means that the listed Fixed Monthly EEC is lower than this subset of customers will actually see on their monthly energy statements because it does not include the demand portion of the billed EEC. While Rule 5.303(B)(2) appears to contemplate a single Fixed Monthly EEC that encompasses *both* energy and demand on an average basis (“The Fixed Monthly EEC shall be determined by rate class and shall be based upon the average statewide monthly consumption and demand for the previous year for the rate class times the Electric EEC rate for the year the rate is being implemented.”), in their April 9, 2021, filing letter EVT states: “Efficiency Vermont is proposing that the Fixed Monthly EEC be established for and applied to energy (kWh) only for all rate classes and that the capacity rate to continue to be applied consistent with DU practice.” (Emphasis added). EVT’s proposed hybrid approach will mean that customers subject to demand charges will be charged the Fixed Monthly EEC based on the statewide average energy (kWh) consumption, plus the demand (kW) portion of the EEC as calculated each month by the distribution utilities for each individual customer.

GMP supports this hybrid approach as long as the subset of demand-billed customers without gross meters know that the total EEC charges that appear on GMP’s statement will be larger than the energy-only fixed charges listed in EVT’s Appendix A. GMP suggests that if EVT’s proposal is approved, that this aspect be clearly communicated to customers along with other changes by stating: “The listed Fixed Monthly EEC applies to the energy-related portion of Energy Efficiency Charges. For customers also billed based on demand, the EEC kW charges also apply to customer’s peak demand for each statement period and this amount will be calculated and charged by the distribution utility and added to the listed Fixed Monthly EEC paid to EVT.”

For purposes of illustrating why this clarification is needed, GMP has calculated what a full Fixed Monthly EEC charge would look like using both “the average statewide monthly consumption and demand” using EVT’s Appendix A kW billing determinants<sup>1</sup> and 2021 EEC

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<sup>1</sup> Note that the EVT Excel spreadsheet on row 31 should indicate 2019 kW Demand, not 2019 kWh Consumption.

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rates. Those larger Fixed Monthly EECs are shown below beside the energy-only Fixed Monthly EECs proposed by EVT.

<u>Class</u>	<u>Consumption and Demand-Based Fixed Monthly EEC</u>	
	<u>Energy-Only</u>	<u>Energy and Demand</u>
Commercial	\$85.53/month	<b>\$133.13/month</b>
Industrial	\$1,915.71/month	<b>\$2,984.69/month</b>

This also approximates what a typical demand customer will experience under EVT's proposal, once both the listed energy-only Fixed Monthly EEC and the customer's individual demand-based EEC is applied to the customer's monthly statement.

If the Commission approves EVT's fixed charge methodology and proposal, GMP will be prepared to implement the "hybrid approach" to both components (consumption and demand) of the Fixed Monthly EEC for customers without the necessary gross meter to calculate total account usage. As we do with net metering customers with gross meters, GMP is prepared to utilize actual demand (kW) as recorded on the billing meter for calculating the demand portion of the total monthly EEC charge. We will also bill the energy-only component of the Fixed Monthly EEC as calculated by EVT.

In the event that the PUC rejects EVT's proposal, GMP will be ready to implement a single Fixed Monthly EEC for each rate class using statewide average data for both energy and demand.

GMP requests that the PUC issue a decision as soon as possible to give our implementation team the time needed to accomplish the ordered outcome as smoothly as possible for customers.

If the Commission has any questions or requires additional information, please do not hesitate to contact me.

Sincerely,



Scott R. Anderson