

## New Initiatives: Capital Planning Philosophy

GMP's New Initiatives capital investments are focused on one primary goal: finding and integrating emerging energy technologies into service offerings that can deliver new value to all GMP customers, while also advancing GMP's grid transformation. There are few boundaries to where new initiative pilots and programs can originate. We work to stay current with advances both within and outside the energy sector for opportunities to accelerate the transformation of our energy system on behalf of our customers.

To-date, GMP has introduced a range of new initiative pilots and programs that pursue value in some of the following ways:

- Increase distributed, customer-owned renewable generation with GMP service territory;
- Improve the efficiency and carbon impacts of home heating and cooling energy use;
- Improve the efficiency and carbon impacts of home water heating energy use;
- Improve the convenience, cost and peak demand availability of home backup power systems;
- Improve the convenience, cost and peak demand availability of home EV charging;
- Create an open environment for third party energy devices to be incorporated into peak management events;

A specific example of a new initiative program is GMP's Powerwall 2.0 Pilot Program. Advances in distributed, residential-scale battery systems are the basis for this program and GMP is our technology and implementation partner. Participating customers install a Powerwall 2.0 home battery system as an alternative to a more conventional fossil fuel backup generator, to provide emergency power during a grid interruption. GMP is also able to access the batteries as peak management devices during periods of high cost power, which provides value to all GMP customers in the form of lower GMP operating costs. We are able to deliver these systems to participating customers for \$15/month, a price level that reflects the value these devices create thereby guaranteeing the value is delivered to participating and non-participating customers.

Continued identification and development of new initiative pilots and programs is a fundamental element of GMP's grid transformation plan and one of the most important responsibilities we hold as we manage the cost pressures and operating complexities of transforming our energy delivery model.