

November 15, 2018

Via ePUC and First Class Mail

Ms. Judith Whitney, Clerk
Vermont Public Utility Commission
112 State Street, Drawer 20
Montpelier, Vermont 05620-2701

Re: Case No. 18-0974-TF – Tariff filing of Green Mountain Power requesting a 5.45% increase in its base rates effective with bills rendered January 1, 2019, to be fully offset by bill credits through September 30, 2019

Dear Ms. Whitney,

During the evidentiary hearing held for this matter on October 25, 2018, the Public Utility Commission ("PUC" or the "Commission") and its staff requested the following information: 1) a copy of the customer agreement used by Green Mountain Power ("GMP") for the Tesla Powerwall 2.0 Program; 2) an overview of the data collected by GMP thus far with respect to the type of units replaced through GMP's Heat Pump Water Heater ("HPWH") program; and 3) GMP's assessment, based on this data, as to whether its assumptions regarding replacement units as part of the HPWH program are proving to be correct. By this letter, GMP is responding to these requests.

With respect to the Customer Agreement for the Tesla Powerwall 2.0 Program, please see *Attachment 1* to this letter. Section 17 of the Agreement contains the relevant provisions for customers' care and maintenance obligations for the Powerwall units.

Regarding the second and third information requests, GMP provides the following update:

GMP began tracking the type of unit replaced by a HPWH as part of this program in August of 2018. Since that time, GMP has replaced eight units, two of which were fossil fuel run units. Given the brief period of time during which this data has been collected, GMP does not believe it yet has a representative sample to use to assess its conclusions regarding the anticipated benefits of the program.

With respect to the HPWH units that were installed under the 2017 HPHW pilot, the financial analysis conducted for that program assumed a roughly 50/50 split between fossil fuel units and electric resistance units being replaced. For HPWH units that will be installed in the rate year,

these will be installed under the soon-to-be-proposed tariff, the supporting analysis for which also assumed a split between fossil fuel and electric resistance units.

With respect to load assumptions supporting the 2019 rate period analysis, it should be noted that the ITRON forecast did not rely on a specific assumption for increased electric load related to GMP's HPHWs pilot program. ITRON instead used a broader assumption for all electric water heating activities in the GMP service territory and concluded that the scale of the GMP specific HPHW program did not warrant changes to this broader forecast.

GMP intends to continue tracking the type of unit replaced (fossil fuel based or electric) going forward and would be happy to provide an update to the Commission on this tracking at any future point should the Commission request it.

Please do not hesitate to reach out with any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Geoffrey H. Hand". The signature is fluid and cursive, with the first name being the most prominent.

Geoffrey H. Hand, Esq.
Attorney for Green Mountain Power

Encls.

