



January 18, 2022

Ms. Holly Anderson, Clerk
Vermont Public Utility Commission
112 State Street, 4th Floor
Montpelier, VT 05602
Re: GMP BYOD Program (Case No. 21-5254-TF)

Dear Clerk Anderson,

On December 15th, Green Mountain Power (GMP) requested PUC approval to extend its Bring Your Own Device (BYOD) and Energy Storage System (ESS) tariffs through September 30, 2026, and to change elements of the program design (Case No. 21-5354-TF). In this filing, GMP described the only material adjustments to the BYOD and ESS tariffs as “an adjustment to the term length of both offerings and a clarification to benefit customers that BYOD systems will be required to permit grid-charging.” We believe that the requirement for BYOD to permit grid-charging is a significant and detrimental change that will adversely impact GMP customers and the state’s efforts to curtail greenhouse gas emissions. For the reasons that I explain below, REV requests that the Commission approve the extension of the BYOD offering’s term, but reject the new mandatory grid-charging requirement.

Currently, energy storage devices associated with residential solar photovoltaic systems are eligible for a federal Investment Tax Credit (ITC) if and only if the storage systems recharge exclusively with solar energy.¹ This requirement was addressed in various ways during the Commission’s investigation into the BYOD and ESS tariffs in 2020. See Case Nos. 19-3167-TF and 19-3537-TF. At that time (early 2020), the Commission was presented with evidence that approximately 95% of energy storage systems were paired with solar to take advantage of the ITC, the mechanism that helps make it more affordable for consumers to convert to renewable energy systems.² The proposed change to GMP’s BYOD program risks excluding customers from ITC eligibility for their non-GMP-owned energy storage systems.

Preventing customers from utilizing the 26% ITC will unnecessarily make storage systems more expensive and prevent many customers from adopting these systems. Consequently, it will reduce enrollment in the BYOD program and reduce the program’s grid benefits. In addition, some customers are likely to unwittingly claim the ITC and grid charge their batteries, putting them in contravention of US Treasury rules, risking recapture, and possible enforcement action.

The requirement for grid charging would also preclude solar and storage customers from participating in net metering, as currently defined in 30 V.S.A. § 8002 and Rule 5.100. Under GMP’s proposal, customers would be able to receive net metering credits for exported energy that was derived from a non-renewable generation source which would conflict with state statute. Discussing storage and net metering in Case No. 21-3883-RULE, the Department of Public Service cited the Massachusetts Department of Public Utilities, which determined that ESS systems that are capable of exporting to the

¹ US Department of Energy (2021) Homeowner’s Guide to the Federal Tax Credit for Solar Photovoltaics. <https://www.energy.gov/sites/default/files/2021/02/f82/Guide%20to%20Federal%20Tax%20Credit%20for%20Residential%20Solar%20PV%20-%202021.pdf>

² See Case Nos. 19-3167-TF and 19-3537-TF, Transcript February 13, 2020 at 166.



electrical grid as well as charging from it would not be eligible to net meter and suggested that a similar requirement might be incorporated into the PUC's storage rulemaking.³

While it may be possible to find a solution to ensure that net metering credits are not earned through the discharge of grid-charged energy, any solution would likely require changes to the metering and billing sections of Rule 5.100 and GMP's Net Metering Tariff. Moreover, it is unclear whether grid-charged electricity flowing back through the Solar Production Meter would impact REC adjustors or the Energy Efficiency Charge. These types of issues must be examined and settled before making such a major change to the BYOD tariff. If allowed to go into effect, the likely result of this change will be slowed expansion of much-needed in-state energy storage, consumer confusion, and lower carbon reductions.

GMP justifies this change by stating that it would ensure that BYOD customers are not left without backup power because their battery has been discharged – consistent with the terms of their BYOD agreement – when they are unable to recharge the device using solar generation. While REV recognizes this situation may occasionally occur, GMP should not address this concern by making it more difficult for customers to deploy storage, particularly storage combined with solar generation. GMP's proposed BYOD modification is an ineffective solution to a problem that can be more effectively addressed by customer education and discussions with REV members who are in the energy storage business. Unless and until the ITC for battery storage is uncoupled from the requirement to charge exclusively with solar and the PUC determines that batteries with grid-charging capabilities enabled are eligible for net metering, customers should be given the option, but not required, to enable grid-charging of their battery systems.

Sincerely,

A handwritten signature in black ink that reads "Jonathan Dowds".

Jonathan Dowds
Deputy Director
Renewable Energy Vermont

³ See Case No. 21-3883-RULE, Vermont Department of Public Service Initial Comments at 10-11.