



SHAWN ENTERLINE

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Re: 2017 CEED Program Plan & Awards

Dear CEED Stakeholders:

Thank you for your proposals and participation in the 2017 workshops and stakeholder process. Based on the fund balance that is expected to be available for 2017, GMP is pleased to announce that it will request approval from the Public Service Board (Board) for all of the proposals that were vetted through the stakeholder process. The following table summarizes that program funding levels that GMP will recommend to the Board for approval, sorted by Net Societal Benefit (NSB).

2017 CEED Proposals & Award Amounts

Proposer	Title	Proposed Budget	Awarded Budget	NSB
BPPA	Zero Energy Now – PV Incentives	\$118,894	\$118,894	4.2
EnSave	Maple Sap Preheater	\$420,160	\$420,160	4.0
NW-NWVT	Efficiency for Low-to-Mod. Inc. Households	\$399,000	\$399,000	2.32
VEIC	Business Existing Facilities (BEF)	\$500,000	\$373,901	1.66
Total		\$1,438,054	\$1,311,955	

The recommended investment portfolio reflects both the expected availability of remaining funds and the NSB rank among this year’s proposals. GMP will request that three of the four proposals be fully funded, and partial funding for VEIC’s BEF program. However, we will also request authorization from the Board to scale the BEF and/or Maple Sap Preheater (MSP) programs up (or down) in the event that the other programs are unable to spend their allocated funds as planned or GMP’s remaining investment obligation is different than expected. Accordingly, the participant service contracts will specify date and expenditure requirements throughout the year, and in the event that a program falls behind on its milestones and/or expenditures, funds can be shifted to the BEF and/or MSP programs. This will enable GMP to allocate and invest all remaining CEED funds by 12/31/17.

Specifically, GMP anticipates that any reallocated funds could be shifted to the MSP program early in the Program Year (April-June) and to the BEF program later in the Program

Year (July-December). Based on the success of the 2016 MSP program, EnSave indicated that they will maintain a waiting list for the MSP program, and that April is an ideal time for any waitlisted customers to make an investment decision. As a rule of thumb, every 10 customers that are waitlisted would represent about \$75,000 in additional incentive costs. During the latter half of the Program Year, GMP expects to coordinate with VEIC to reallocate and spend any remaining funds through the BEF program.

Because Efficiency Vermont will be managing to the end of its three-year performance period at the same time as the CEED Fund is seeking to manage to a zero balance, there is a possibility that the BEF program will not be able to provide enough flexibility to CEED. In this event, we will propose that any remaining CEED funds be allocated to the BEF program during Q1 and Q2 of 2018.

In addition to these programs, GMP received requests to carryover two 2016 Projects into 2017. Neither VEIC’s “Replacing Electric Resistance Heat in Affordable Housing” project nor NEGPA’s “No Bleed Standing Column Well Geothermal Heat Pump” were completed during 2016. GMP will include both projects in the 2017 Annual Plan, and will recommend to the Board that customers who want to participate in these programs must be under contract by March 31st, 2017. Effective April 1st, 2017, we will recommend that any remaining funds be reallocated to the BEF and/or MSP programs. The following table summarizes the funding amounts that have been requested by these two projects.

2016 CEED Projects Requesting Carryover to 2017

Proposer	Title	Proposed Budget
NEGPA	No Bleed Standing Column Well Geothermal Heat Pump	\$70,000
VEIC	Replacing Electric Resistance Heat in Affordable Housing	\$50,000
Total		\$120,000

In addition to the direct project costs, GMP expects to use CEED funds to support the overall program in 2017. The contract with VEIC includes provisions for a performance award, which has been estimated at \$75,000 for the 2014-2017 period. The 2016 Zero Energy Now program includes \$50,000 to guarantee the savings to its customers, and these funds will be disbursed to BPPA on a case-by-case basis in the event that there are any claims made against the guarantee. In the event that there are remaining guarantee funds at the end of 2017, GMP will work with VEIC to allocate the funding to the BEF program. Finally, EM&V and Consulting Support costs are budgeted based on recent year’s expenditures on these activities.

2017 CEED Program Support Costs

2017 Cost Item	Entity	Cost
VEIC performance awards for 2014-2017	VEIC	\$75,000
\$50K for Zero Energy Now Savings Guarantee	BPPA	\$50,000
EM&V	Department	\$125,000
Consulting Support	GEEG	\$25,000
Total 2017 Program Support Costs		\$275,000

The following table shows the CEED Fund balance as of 12/31/15 plus forecasts of interest, FCM revenues, and 2016 CEED expenses through 12/31/16. This results in an expected balance on 12/31/16 of about \$1.68 million. Then we add a forecast of 2017 interest and FCM revenues to arrive at Available 2017 CEED Funds of about \$1.7 million. From this, we subtract the 2017 Awards, 2016 Carryovers and 2017 Program Support costs to arrive at a zero balance on 12/31/17. Once again, in the event that we cannot manage to a zero balance in 2017, we will recommend that the BEF program spend the remaining funds during Q1 and Q2 of 2018.

2017 CEED Fund Summary – Available Funds & 2017 Expenditures

Line Item	Balance
Remaining Funds – Dec 31, 2015	\$4,192,428
Interest (1/1/16 – 12/31/16)	\$66,342
FCM Revenues 1/1/16/12/31/16	\$14,606
Forecast of 2016 CEED Expenses through 12/31/16	\$(2,592,052)
CEED Fund Balance on 12/31/16	\$1,681,324
Forecast of 2017 Interest	\$11,232
Forecast of 2017 FCM Revenues	\$14,400
Available 2017 CEED Funds	\$1,706,956
2017 Awards	\$1,311,955
2016 Carryovers	\$120,000
2017 Program Support Costs	\$275,000
Total 2017 CEED Fund Costs	\$1,706,955
CEED Fund Balance on 12/31/17	\$0

I look forward to working with you all during the upcoming year, and will be preparing the Annual Plan by November 15th in preparation for the Board Workshop on November 28th. In the meantime, please contact me if you have any questions or concerns.

Sincerely,



Shawn Enterline

Cc: Department of Public Service

