



September 30, 2016

Shawn Enterline
Green Mountain Power Corporation
163 Acorn Lane
Colchester, VT 05466

Dear Shawn,

Thank you for the opportunity to provide comment on the proposals submitted for the 2017 GMP Community Energy and Efficiency Development (CEED) Fund. Our letter begins with general comments on VEIC's proposal and concludes with observations about proposals submitted by others.

1. Updates to VEIC Proposal

VEIC's Business Existing Facilities (BEF) program continues a four year CEED partnership with GMP and includes services and incentives available to all commercial customers. Services include account management for Vermont's largest customers, as well as supply chain partners, and medium sized businesses. Technical services, outreach, and education to Vermont's small businesses and contractor network is a hallmark of this program as well. Through these services and Efficiency Vermont's suite of incentives and rebates, the BEF program helps customers achieve energy savings while delivering net societal benefits that benefit the CEED portfolio

At this time, VEIC has received no requests from GMP for additional information on our proposal package, and we do not have any changes to what was previously submitted. The proposal was developed and presented such that it could be scaled up and down to allow flexibility based on the needs and priorities of GMP.

2. Comments On Other Proposals

VEIC is grateful for the opportunity to review the other proposals submitted to GMP during the 2017 CEED Stakeholder Process. We offer several observations about them.

BPPA-VT Zero Energy Now

Building Performance Professionals Association of Vermont's (BPPA-VT) proposal to provide incentives to Home Performance with ENERGY STAR® projects and to transfer the administration of the Zero Energy Now program to Efficiency Vermont aligns with Efficiency Vermont's 2017 planning for existing homes programming. It is VEIC's understanding that GMP is working with

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BPPA-VT to produce a PV-specific load shape. VEIC provisionally supports the Zero Energy Now PV systems on the condition that the resulting load shape is societally cost-effective.

NeighborWorks HEAT Squad

NeighborWorks of Western Vermont's (NeighborWorks) HEAT Squad program is a valuable partner for helping Vermonters achieve home energy savings. NeighborWorks currently leverages Efficiency Vermont's HPwES program incentives to provide additional motivation for customers to invest in home weatherization and efficiency. As a general matter, VEIC is supportive of NeighborWorks' expansion of the HEAT Squad program. However, VEIC does have specific concerns with the aspects of NeighborWorks' CEED proposal that appear to overlap or duplicate Efficiency Vermont services in the upstream market of heat pumps and in services and incentives provided through the HPwES program .

Prior to NeighborWorks submitting their proposal, VEIC discussed with them a possible savings allocation for NeighborWorks' CEED projects based on program expenses covered by each party. It appears that NeighborWorks was not able to get the CEED projects to screen based on the estimated cost share and associated savings. On the first page of the proposal, NeighborWorks states they will achieve a higher level of performance "by making the installation of such measures more affordable by offering our own incentive payments in addition or in place of those offered by Efficiency Vermont." Without any further clarification of this statement, VEIC concludes that NeighborWorks is proposing to use CEED funding to supplant existing Efficiency Vermont supply chain management activities and incentives for heat pumps and/or shell efficiency measures, and to claim savings associated with the measures installed.

While VEIC supports the expansion of NeighborWorks' HEAT squad program, VEIC also believes that such an expansion must not take place at the expense of the existing statewide infrastructure Efficiency Vermont has established. Efficiency Vermont works with the existing supply chain across the entire state. Maintaining consistency in this approach is important for supporting both long term market transformation of emerging technologies, such as heat pumps, and for consistency across local distributors and retailers.

ENSAVE

EnSave has proposed to continue offering its Maple Sap Preheater program for another year. The program was well received in 2016 by maple producers and interest has been generated in this industry throughout the state. In 2017, Efficiency Vermont will be offering a program to support maple sap pre-heater projects through technical assistance and incentives outside of CEED territory. VEIC and EnSave have agreed to coordinate the two programs to minimize market and/or customer confusion. In 2018, Efficiency Vermont plans to extend its offer on this measure statewide.

Thank you for the opportunity to provide comments on the 2017 CEED proposals. We look forward to working with you. Please do not hesitate to contact me if you have any questions.

Sincerely,

A handwritten signature in blue ink, appearing to read "Liz Gamache", with a long horizontal line extending to the right.

Liz Gamache

Director, Efficiency Vermont

