STATE OF VERMONT
PUBLIC UTILITY COMMISSION

Petition of Green Mountain Power Corporation for approval of its new Multi-Year Regulation Plan pursuant to 30 V.S.A. Sections 108, 209, 218, and 218d	)))	Case No. 25-1955-PET
Tariff filing of Green Mountain Power Corporation for a 7.5% rate increase effective with bills rendered on or after October 1, 2026	)))	Case No. 26-0096-TF

PREFILED REBUTTAL TESTIMONY OF MARIA FISCHER ON BEHALF OF GREEN MOUNTAIN POWER

May 27, 2026

Summary of Testimony

Ms. Fischer addresses the Department of Public Service's ("Department" or "DPS") recommendations to adjust Vermont Renewable Energy Standard ("RES") compliance costs and updates the Commission on developments regarding ISO New England's (ISO-NE) Day-Ahead Ancillary Services Initiative (DASI) and FERC's recent order regarding the New England Transmission Owners' Return on Equity (ROE).

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Q1. Please state your name and occupation.

A1. My name is Maria Fischer. I am the Leader of Power Supply Operations for Green Mountain Power ("GMP").

Q2. Have you previously submitted testimony in this proceeding?

A2. Yes, I previously provided prefiled direct testimony in this proceeding on January 16, 2026, along with supplemental testimony filed in the corresponding Multi-Year Regulation Plan ("MYRP" or "Proposed Plan") Case No. 25-1955-PET. I also submitted direct and rebuttal prefiled testimony in the MYRP case.

Q3. What is the purpose of your testimony?

A3. I respond to the Department of Public Service's ("DPS" or the "Department") recommendation to reduce base rate power supply costs by $3.75 million by limiting GMP's retirement of Renewable Energy Credits ("RECs") to statutory minimum requirements under the RES. I also provide a high-level update on the Day-Ahead Ancillary Services Initiative ("DASI"), including results from this past winter as well as recommended program modifications from the Internal Market Monitor ("IMM"). Finally, I provide a brief update on the Federal Energy Regulatory Commission ("FERC") Order 594 regarding the Return on Equity ("ROE") for the New England Transmission Owners.

Q4. Does GMP agree with the Department's recommendation to reduce power supply costs by limiting REC retirements to the minimum levels required for RES compliance?

A4. We do not support the Department's proposal. Since 2020, GMP has maintained a portfolio in which environmental attributes associated with non-emitting resources are retired on behalf of our customers, resulting in a 100% carbon-free supply on an annual basis, as measured in accordance with state requirements. This has been in place for more than 5 years, predating the current MYRP, and has been broadly supported through customer feedback, state policy, and prior rate and Integrated Resource Plan approvals. GMP's RES compliance trajectory not only smooths the rate impacts of the 2030 legislative requirements for the RES but also helps GMP maintain this annual carbon-free supply portfolio. That portfolio is in support of least-cost, least carbon outcomes as described in GMP's approved 2024 Integrated Resource Plan.[1] Indeed, the Department acknowledges that GMP's planning decisions to maintain a 100% carbon-free portfolio annually are consistent with least-cost planning in Title 30, but nonetheless recommends it be reduced.[2] The Department's position appears to overstate the cost savings that might be realized by reducing GMP's renewable and carbon-free percentages, and also does not recognize the broader customer and societal benefits of GMP's portfolio.

[1] *See* December 22, 2025, Order Approving 2024 Integrated Resource Plan, Case No. 24-3614-PET at 5.
[2] Joint Prefiled Direct Testimony of Shawn Enterline and Walter (TJ) Poor at 25-26.

Q5. Could GMP maintain a carbon-free portfolio annually without exceeding RES requirements?

A5. Not at much lower cost. Our current retirement methodology is the least cost path to maintaining an annual carbon-free portfolio with nuclear attributes. GMP's carbon-free portfolio includes a mix of committed renewable and nuclear resources. We first meet all statutory RES requirements, then use all available nuclear attributes already within our portfolio, and then fill the balance of the annual portfolio with existing renewables, generally qualifying as VT Tier I or Maine Existing RECs. The availability and pricing of any additional nuclear attributes are uncertain. In the current market environment, the one example of brokered carbon-free nuclear attributes, those eligible for MA CES-E, are priced higher than the existing renewables we utilize (e.g. VT Tier I and Maine Existing).

Q6. Does the $3.75M reduction stated by the Department accurately capture the reduction in costs that would result from lowering REC retirements?

A6. No, the Department's estimate overstates the cost reduction that would result from reducing GMP's renewable retirements. The $3.75 million figure relied upon by the Department is an upper-bound estimate GMP provided in discovery. It overstates the actual incremental cost of GMP's RES path in the rate year for a few reasons.

First, the Department applies a projected Tier I REC market price of $4.80 per REC to all overcompliance volumes. That does not reflect how we actually maintain and execute our carbon-free portfolio. In practice, the portfolio includes a mix of environmental attributes from different resources with varying costs. Based on GMP's forecast for both CY2026 and CY2027, the average actual cost of the RECs to be retired is approximately $1.98 per REC, less than half the assumed market value.

Second, GMP's existing portfolio already contains more carbon-free attributes than required to meet minimum RES obligations, meaning the Department overestimates the quantity of RECs GMP would need to purchase. As a result, maintaining GMP's current carbon-free position would not require purchasing the stated volume of excess RECs at projected spot market prices; the Department thereby overstates the incremental cost of maintaining a carbon-free portfolio. In practice, the FY27 forecast is a blend of all costs associated with Tier I retirements for various resources, and there is no breakout specifically associated with the reduction the Department seeks.

These calculation differences do not include the not quantified but nevertheless beneficial impact of GMP's annual supply mix on the choices GMP customers make to electrify heating and transportation to reduce their reliance on volatile, carbon-intensive fossil fuels, and the societal benefits of carbon reduction.

Q7. Does the Department's testimony appropriately characterize the benefit of GMP's annual portfolio?

A7. The Department characterizes the primary benefit as "societal emissions reductions," but does not incorporate that value in their assessment.

For customers, our clean portfolio is an important component of how they evaluate and rely on their electricity service. For residential customers, important decisions to electrify their heating, transportation, and more are based in part on our annual carbon-free portfolio and a commitment to maintain that portfolio, including as we build toward annual RES renewable requirements in 2030. For commercial and industrial customers, these attributes are incorporated into ESG reporting, investor disclosures, sustainability commitments, site selection decisions, and long-term planning. These are often formal commitments that are regularly evaluated and publicly communicated. Maintaining that portfolio provides customers with confidence that their electricity use aligns with their sustainability objectives. Consistency in this area provides clarity and confidence for customers.

From a societal point of view, the Department acknowledges that maintaining a carbon-free portfolio is beneficial but does not assign value to that societal benefit. Using a cost of carbon of $100 per metric ton, well below the values approved by the Vermont Climate Council in September 2024, the societal benefits of GMP's portfolio compared to one that complied only with the minimum RES requirements is greater than $29M in the Rate Year.[3] In addition, GMP's carbon-free portfolio supports Vermont's progress toward the emissions reductions required under the Global Warming Solutions Act.

Taken together, these customer, economic, and societal benefits are important considerations in evaluating GMP's portfolio strategy. The Department's proposal prioritizes very modest short-term potential cost reductions while overlooking these broader customer impacts and societal benefits. Reducing our renewable and carbon-free position would undermine customers' confidence and the value of consistently

[3] This assigns the non-carbon free portion of our portfolio an emissions rate of 700 lbs/ MWh, consistent with the 2024 ISO New England Electric Generator Air Emissions Report. https://www.iso-ne.com/static-assets/documents/100028/final-2024-air-emission-report.pdf

maintaining GMP's clean portfolio. In addition, scaling back our renewable retirements now will create a more pronounced step increase in rates when the RES 100% renewable requirement takes effect in 2030, rather than supporting a more gradual and stable cost trajectory.[4] For these reasons, we do not support the Department's proposal.

Q8. What update can you provide on ISO-NE's DASI market?

A8. As described in my direct prefiled testimony in the MYRP proceeding, the ISO-NE DASI market went into effect on March 1, 2025 and was designed to address the growing need for operational flexibility in response to changing system conditions, particularly those driven by increased renewable integration and load forecast uncertainty. The intent of DASI was to better align market outcomes with system needs by more accurately valuing resources capable of providing flexibility and reliability.

Initial estimates by ISO-NE indicated that DASI would increase wholesale costs by just over 1%; however, actual costs for the region and GMP have been materially higher.

Q9. Please summarize DASI costs since the program began.

A9. Since DASI was implemented in March 2025, GMP has incurred approximately $44M in gross costs. GMP has actively participated in the DASI market as part of its broader strategy to mitigate cost pressures by optimizing the value of our assets and responding to

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[4] Total renewable RES requirements increase from 63% to 67% in 2028 then to 100% in 2030; they do not increase from 63% to 100% in 2030, as stated in the Department's testimony. In either event, the trajectory is steeper as 2030 approaches.

evolving market incentives. This participation has resulted in approximately $14M in revenues, reducing net DASI costs to approximately $30M.

Regionally, actual DASI costs have substantially exceeded ISO-NE's original projections. The IMM estimated that DASI increased regional wholesale market costs by approximately $921M during the program's first 11 months, compared to ISO-NE's initial estimate of approximately $104M to $140M annually. In response, the IMM issued recommendations in February 2026 intended to reduce DASI-related costs while preserving the reliability benefits of the market design.

Q10. What are the IMM's proposed adjustments to the program and expected impacts?

A10. On February 4, 2026, the IMM issued a memo recommending several targeted changes to the DASI market intended to preserve reliability benefits while substantially reducing costs. The IMM concluded that DASI has improved reliability and operating performance, but that certain aspects of the market are resulting in reserve procurement levels and closeout charges that are materially higher than necessary.

The IMM's recommendations include changes to the reserve procurement methodology, adjustments to the pricing and closeout mechanisms associated with energy option obligations, and refinements to the treatment of certain committed resources in the day-ahead market. Collectively, these changes are intended to better align reserve procurement with actual system reliability needs, reduce excessive price volatility, and limit unnecessarily high ancillary service costs.

ISO-NE is working to make these reforms, with implementation expected this fall. GMP expects these changes to materially reduce DASI-related costs going forward relative to current market outcomes.

Q11. Are you proposing any adjustments to DASI costs for the Rate Year?

A11. No. While future DASI costs remain uncertain, GMP expects them to be materially lower than first-year program costs due to the proposed market changes. Accordingly, the $6M Rate Year estimate remains reasonable.

Q12. Can you update the Commission on whether FERC's New England Transmission ROE Order will have impacts on GMP's FY27 Cost of Service?

A12. At this time, FERC's March 19, 2026 Order 594, reducing the allowed ROE for New England Transmission Owners (NETOs), does not alter the forecasted transmission and related costs in the FY27 Cost of Service. My rebuttal testimony in the related MYRP proceeding, Case No. 25-1955-PET, describes how impacts to VELCO resulting from the Order 594 may flow to GMP, but with all the information known to us at this time, these are not expected to be experienced in the Rate Year. The affected NETOs are gearing up for appeals and a number of regional stakeholders are participating. GMP is following along closely and in communication with VELCO and the other Vermont Distribution Utilities as all of this develops. Given the length of the proceeding that produced Order 594, we cannot say with any degree of certainty when effects from the Order will take hold. Indeed, there have been shifting requests regarding implementation of the refunds contemplated by the Order in the event they remain in place. There remains much still to be resolved following issuance of the Order; moreover, the ROE is but one aspect of the overall cost of transmission experienced by GMP’s customers. Ultimately any variance impacting FY27 rates, if any, would be captured in GMP’s Component A of the Power Supply adjustor. Nevertheless, in light of this timing and uncertainty, if it were deemed advisable, we could consider adding a provision to the MYRP noting the expectation that GMP will petition the Commission for a different treatment of these costs and credits if necessary for the benefit of customers.

Q13. Does that conclude your testimony at this time?

A13. Yes, it does.

I, Maria Fischer, declare that the testimony and exhibits that I have sponsored are true and accurate to the best of my knowledge and belief and were prepared by me or under my direct supervision. I understand that if the above statement is false, I may be subject to sanctions by the Commission pursuant to 30 V.S.A. § 30.

Dated at Colchester, VT on the 27th day of May, 2026.

Maria Fischer

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