

## VEC Flexible Load Program Bring Your Own Home Battery

### ***General Information***

The Flexible Load program from Vermont Electric Cooperative (“VEC”) opens VEC’s distributed energy resource (“DER”) platform to members who purchase and install compatible batteries (“equipment”) in their home or business. Members will have the opportunity to earn VEC bill credits and up-front incentive payments by allowing VEC shared access to the equipment. This will enable VEC to maximize the equipment’s value for participating and all VEC members by reducing costs at peak times, and allow VEC to explore how/if the equipment can be used to achieve other forms of wholesale market value.

Below are the terms of the program.

### ***Terms***

**1. Eligibility:** All VEC members, with the exception of those on a time-of-use or time-differentiated rate, are eligible to participate. You must also be the owner of an account address **and** have an eligible battery at that address. VEC maintains a list of eligible batteries on its website. To enroll, members must complete an enrollment form and agree to these terms and conditions. Both the terms and conditions document as well as the eligible battery list may be found at the following location: <https://vermontelectric.coop/flexible-load>.

**2. Access for VEC:** Members must allow VEC access to control members’ equipment as necessary. This means that members are responsible for having (i) an internet service provider (“ISP”); (ii) a working and reliable internet connection and Wi-Fi network and other related equipment in their home that is positioned to communicate reliably with the equipment; (“ISP”); and (iii) other system elements that may be specified as required by VEC or the manufacturer of any required equipment (i.e. smart phone apps). Members are responsible for all fees charged by the ISP and the equipment manufacturer in connection with participation in the Flexible Load program.

**3. Access Disruption:** In the event that VEC is unable to communicate with the equipment and communication or access is not restored as necessary within 30 days’ after notice from VEC, monthly bill credits will cease until access is restored or this Agreement is terminated in accordance with Paragraph 9.

A member may opt back into the program if communication or access is restored at a future date, and the member pays a \$10 Re-entry fee. In those circumstances, monthly bill credits will resume. Re-entry as provided herein may only happen once annually.

**4. Incentive Terms:** Participating members’ compensation will be based on several values and the equation listed below:

## Variable Values

- Battery Energy (kWh) – This is the total kWh in the battery. The minimum Battery Energy to participate is 10 kWh.
- Battery Reserve (%) – The percentage of Battery Energy that a member chooses to keep in reserve and not use for Peak Events.
- Battery Inverter Capacity (kW) – The output capacity of the battery inverter must exceed the kWh from the compensation equation below and be at least 2 kW.

## Fixed Values

- Peak Event Duration (Hours) – VEC requires the battery to provide 4 hours of energy for a Peak Event
- Monthly Peak Event Value (\$) – VEC reserves the right to update this value annually. It is currently valued at \$6.40 per month.
- Upfront Peak Event Value (\$) - VEC reserves the right to update this value annually. It is currently valued at \$268.

Participating members must select one of the two incentive programs either 1) Monthly Incentive, OR 2) Upfront Incentive and Lower Monthly Incentive. These calculations are below.

1.

$$\text{Monthly Incentive} = \text{Monthly Peak Event Value} * \text{Battery Energy (kWh)} * \frac{(1 - \text{Battery Reserve (\%)})}{\text{Peak Event Duration (Hours)}}$$

OR

2.

$$\text{Upfront Incentive} = \text{Upfront Peak Event Value} * \text{Battery Energy (kWh)} * \frac{(1 - \text{Battery Reserve (\%)})}{\text{Peak Event Duration (Hours)}}$$

AND

$$\text{Lower Monthly Incentive} = (\text{Monthly Peak Event Value} * \text{Battery Energy (kWh)} * \frac{(1 - \text{Battery Reserve (\%)})}{\text{Peak Event Duration (Hours)}}) / 2$$

As an example, VEC is using the following standard Tesla Powerwall values to calculate the incentive amounts below:

- Battery Energy (kWh) – 27 kWh
- Battery Reserve (%) – 20%
- Battery Inverter Capacity (kW) – 10 kW

- Peak Event Duration (Hours) – 4 Hours
- Monthly Peak Event Value (\$) –\$6.40

1. Monthly Incentive– \$34.56/month

or

2. Upfront and Lower Monthly Incentive- A one-time upfront incentive of \$1,447 and \$17.28/month. If the Member selects this option and terminates the agreement before the end of the Initial Term, the Member will need to pay VEC a pro-rated portion of the upfront incentive in accordance with Provision 11 below.

**5. Application of Monthly Bill Credits:** Monthly bill credits will be applied to the participating member’s VEC utility bill (including non-by-passable charges). Excess bill credits may be requested as a reimbursement rebate as described in Paragraph 13 below.

Participating members’ bill credits and incentives will be determined and confirmed by VEC once the eligible battery system completes a verification process to determine full functionality within VEC’s energy platform. The monthly bill credit is locked in for the Initial Term unless the Agreement is earlier terminated, or VEC elects to omit or reduce the monthly bill credit which it may do if communication with the battery system is interrupted during a Peak Event and not remedied per provision 6 below.

**6. Battery System Performance:** If a battery system fails to perform within +/- 10% of the contracted capacity (contracted capacity means the amount of power, measured in kW or kWh, that a participant has elected to share with VEC), members will have 30 days to resolve the issue and to have VEC test and verify that performance has been restored. If performance is not restored within 30 days, VEC may terminate the member’s participation in the Flexible Load program as provided in provision 11, or adjust the monthly bill credit to a level that is based on available power and capacity.

**7. Management of Equipment:** Participating members agree that VEC may communicate with and manage their equipment during Peak Events. A “Peak Event” is defined as a period of time in which VEC make temporary changes to the equipment settings.

**8. Data Access:** Participating members agree to allow VEC and/or VEC third-party vendor access and use of certain member data and information, including energy usage and consumption data, as well as personally identifiable information. This information will be used to assist in programming, reporting, monitoring, and controlling the equipment, as well as other uses consistent with VEC’s Privacy Policy (available upon request), and as provided in applicable third-party vendor terms and conditions.

**9. Acknowledgment of Member:** Participating members acknowledge and agree that VEC may manage the charge and discharge of the equipment installed in their home or business in accordance with provision 7 above. During grid outages, only the energy in the battery will be available to members for backup power services. Other battery system benefits and services,

load shifting for utility bill management, and other potential future services and benefits will not be available to members. Members acknowledge that they remain responsible for maintenance, repair and replacement of the equipment.

Members acknowledge and understand that if their battery system requires that it be recharged only by solar power for any reason, whether for operational, financial or other benefits or reasons, this may impact or delay the battery system's return to a fully charged status and availability for the Flexible Load program commitments or back up power. Members further acknowledge that VEC is not responsible for ensuring that their system operates in a manner that maintains eligibility for the Investment Tax Credit.

System outages, equipment failure, or other circumstances outside VEC's control may impact or delay the charging status of members' battery systems. VEC cannot guarantee that members' battery systems will be charged, fully charged, or available during all system outages; however, the Flexible Load program is designed so that VEC will minimize use of your battery system prior to or during a weather event that could potentially cause system outages.

**10. Enrollment & Term:** This Agreement shall commence upon member enrollment and shall continue for a period of ten years (the "Initial Term"). After the Initial Term, this Agreement shall renew annually unless participating member terminates the agreement in accordance with provision 11 below.

**11. Termination:** Either party may terminate this Agreement by providing the other party 30 days written notice of termination. Upon termination, participating members will no longer receive the monthly bill credit and if the member elected to receive a portion of the monthly bill credit as an up-front incentive, the member will owe VEC a pro-rated, one -time payment based on the calculation below, payable within 30 days of receipt of invoice:

Number of months remaining in the Initial Term / total months in Initial Term \* *incentive* given  
= Total amount owed to VEC

Example:

If 60 of the 120 months remain in the Term and the Member received a \$1,000 upfront incentive, Member will owe  $60/120 * \$1,000 = \$500.00$ .

**12. Change in Home Ownership:** Members acknowledge that they are required to own the premises where the equipment is installed. By signing below, you represent that you own the premises where the equipment is installed.

Members agree to provide VEC with 30 days advance notice of a sale of the home where the equipment is installed. In the event of a sale, members may choose to terminate this Agreement in accordance with provision 11, or if the parties agree, the new owner may assume this Agreement in writing.

Members are responsible for providing VEC with an executed assignment and assumption agreement, in a form provided by or acceptable to VEC for our records. Agreements that attempt to relieve a member from responsibility for sums incurred prior to the sale are not permitted. Sale or transfer of the equipment to a third party who has not assumed this agreement shall constitute automatic termination of this Agreement, and in that case, monthly credits shall cease consistent with provision 9.

**13. Reimbursement Rebate:** When total Flexible Load credits exceed \$100.00, but not more than once a year, participating members may request reimbursement of the credits in the form of a check.

**14. Liability:** VEC shall not be liable for any direct, indirect, special or consequential damages to any persons or property resulting from or arising out of any use, repair, delay in repairing, replacement of, modification to, unavailability of, or charging status of the equipment. VEC is not responsible for any costs related to the repair, maintenance or replacement of participating member's equipment. If replacement of member's equipment is necessary, they must notify VEC.

**15. Indemnification.** Participating members shall indemnify and hold harmless VEC for any injury or damage to any persons or property arising from VEC's access and use of the equipment, or caused by any breach of this Agreement by the member, the negligence of the member or that of their household members, agents, servants, employees, tenants, licensees, invitees, tenant's invitees, or independent contractors.

**16. Notice** Members must send any Notice required under this Agreement to [flexload@vermontelectric.coop](mailto:flexload@vermontelectric.coop). This Agreement shall be governed by the laws of the State of Vermont. Any change to the terms of this Agreement must be in a writing signed by the participating member and VEC.

**17. Miscellaneous.** Equipment eligibility is at the sole discretion of VEC. Equipment that is enrolled in other VEC tariff or incentive programs is not eligible. Additionally, equipment may not be enrolled in another aggregation or demand response program.

## **18. Required System Settings**

The VEC requires that the Member or Installer configure the equipment to export energy to the grid. If a battery system fails to perform within +/- 10% of the capacity (capacity means the amount of power, measured in kW, available in the battery), members will have 90 days to resolve the issue and to have VEC test and verify that performance has been restored. If performance is not restored within 90 days, VEC may terminate member's participation in the Flexible Load Program as provided in provision 10.