

Recommendation #1: Provide clarity around timelines, parallel paths and inter-related processes:

- §8124: Clarify the date/year for when the first credits are retired, and for what year the emissions are intended to represent. For example, specify that first retirement of clean heat credits shall occur in April 2027, and for what year of emissions those credits are intended to retire.
- §8125(a): Set the date for appointment of Default Delivery Agent. DDA would need 24-18 months before compliance period would begin. Leg Council has this in Feb '24, but it's not in the bill.

Recommendation #2: Allow the potential study to temporarily modify the compliance obligation:

- §8124(a)(4): *The Commission may temporarily, for a period not to exceed ~~18~~36 months, adjust the annual requirements for good cause after notice and opportunity for public process. Good cause may include a shortage of clean heat credits, market conditions as identified by the Department's Potential Study conducted pursuant to §8124, or undue adverse financial impacts on particular customers or demographic segments. The Commission shall ensure that any downward adjustment does not materially affect the State's ability to comply with the requirements of 10 V.S.A. § 578(a)(2) and (3).*
- §8124(e) *The Commission shall open a proceeding on or before July 1, 2023 and every three years thereafter to establish the default delivery agent credit cost or costs and the quantity of credits to be generated for the subsequent three-year period.*

Recommendation #3: Support all market activities that result in clean heat measures:

- § 8127 (b) *Credit ownership. The Commission, in consultation with the Technical Advisory Group, shall establish a standard methodology for determining what party or parties shall be the ~~initial~~ owner of a clean heat credit upon its creation, including a representative value for the provision of all components of current and future programs, to include but not be limited to financial incentives, workforce development, market uplift, and training. The ~~original~~ owner or owners may transfer those credits to a third party or to an obligated party.*

Recommendation #4: Create mechanism to ensuring energy efficiency is built-in from the start.

- *No text changes identified at this time.*