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S.202

Senator Hartwell moves that the bill be amended as follows:

First: In Sec. 1, 30 V.S.A. § 209, in subsection (d), by striking out subdivision (3) and inserting in lieu thereof a new subdivision (3) to read:

(3) Energy efficiency charge; ~~regulated fuels~~. In addition to its existing authority, the Board may establish by ~~order or~~ rule a volumetric charge to customers for the support of energy efficiency programs that meet the requirements of section 218c of this title. The charge shall be known as the energy efficiency charge, shall be shown separately on each customer's bill, and shall be paid to a fund administrator appointed by the Board and deposited into an ~~Electric~~ Energy Efficiency Fund. When such a charge is shown, notice as to how to obtain information about energy efficiency programs approved under this section shall be provided in a manner directed by the Board. This notice shall include, at a minimum, a toll-free telephone number, and to the extent feasible shall be on the customer's bill and near the energy efficiency charge.

(A) Balances in the ~~Electric~~ Energy Efficiency Fund shall be ratepayer funds, shall be used to support the activities authorized in this subdivision (3), and shall be carried forward and remain in the Fund at the end of each fiscal year. These monies shall not be available to meet the general obligations of the State. Interest earned shall remain in the Fund. The Board

1 ~~will~~ annually will provide the General Assembly with a report detailing the  
2 revenues collected and the expenditures made for energy efficiency programs  
3 under this section. **The Energy Efficiency Fund shall have two accounts:**  
4 **the Electric Efficiency Account and the Unregulated Fuel Efficiency**  
5 **Account.**

6 (B) The charge established by the Board pursuant to this  
7 subdivision (3) shall be in an amount determined by the Board by rule ~~or order~~  
8 that is in accordance with the following:

9 (i) Commencing with calendar year 2015:

10 (I) Any amount raised from the energy efficiency charge on  
11 electric ratepayers equal to or less than \$45.9 million each year shall be  
12 deposited into the Electric Efficiency Account and shall be used for  
13 electric energy efficiency. Any amount raised from the energy efficiency  
14 charge on electric ratepayers in excess of \$45.9 million each year shall be  
15 deposited into the Unregulated Fuel Efficiency Account and shall be used  
16 to deliver thermal energy and process-fuel energy efficiency services pursuant  
17 to subdivision (b)(2)(B) and subsection (e) of this subsection.

18 (II) The \$45.9 million annual amount set forth in this  
19 subdivision (i) may be adjusted for inflation since January 1, 2014 using the  
20 Consumer Price Index for all urban consumers, designated as “CPI-U,” in the

1 northeast region, as published by the U.S. Department of Labor, Bureau of  
2 Labor Statistics.

3 (ii) An energy efficiency charge shall be consistent with the  
4 principles of least cost integrated planning as defined in section 218c of this  
5 title.—As and, as circumstances and programs evolve, the amount of the charge  
6 shall be reviewed for unrealized energy efficiency potential and shall be  
7 adjusted as necessary in order to realize all reasonably available, cost-effective  
8 energy efficiency savings; provided, however, that proceeds from the energy  
9 efficiency charge to electric ratepayers in excess of the amount specified in  
10 subdivision (3)(B)(i) of this subsection (d) shall be used as stated in that  
11 subdivision. In setting the amount of the charge and its allocation, the Board  
12 also shall determine an appropriate balance among the following objectives;  
13 ~~provided, however, that, with~~ particular emphasis ~~shall be~~ accorded to the first  
14 four of these objectives: reducing the size of future power purchases; reducing  
15 the generation of greenhouse gases; limiting the need to upgrade the State's  
16 transmission and distribution infrastructure; minimizing the costs of electricity;  
17 providing efficiency and conservation as a part of a comprehensive resource  
18 supply strategy; providing the opportunity for all Vermonters to participate in  
19 efficiency and conservation programs; and the value of targeting efficiency and  
20 conservation efforts to locations, markets, or customers where they may  
21 provide the greatest value.

1            (iii) The Board, by rule ~~or order~~, shall establish a process by  
2            which a customer who pays an average annual energy efficiency charge under  
3            subdivision (3) of this subsection (d) of at least \$5,000.00 may apply to the  
4            Board to self-administer energy efficiency through the use of an energy  
5            savings account which shall contain a percentage of the customer's energy  
6            efficiency charge payments as determined by the Board. The remaining  
7            portion of the charge shall be used for systemwide energy benefits. The Board  
8            in its rules ~~or order~~ shall establish criteria for approval of these applications.

9            Second: In Sec. 1, 30 V.S.A. § 209, in subsection (e), by striking out  
10           subdivision (1) and inserting in lieu thereof a new subdivision (1) to read:

11           (1) Each of the following shall be used to deliver thermal energy and  
12           process fuel energy efficiency services in accordance with this section for  
13           unregulated fuels to Vermont consumers of such fuels.

14           (A) Net revenues above costs associated with payments from the  
15           New England Independent System Operator (ISO-NE) for capacity savings  
16           resulting from the activities of the energy efficiency utility designated under  
17           subdivision (2)(A) of this subsection that are not transferred to the State PACE  
18           Reserve Fund under 24 V.S.A. § 3270(c). These revenues shall be deposited  
19           into the ~~Electric~~ **Unregulated Fuel Efficiency Account of the Energy**  
20           Efficiency Fund established by this section. In delivering services with respect  
21           to heating systems using the revenues subject to this subdivision (A), the entity

1 shall give priority to incentives for the installation of high efficiency biomass  
2 heating systems and shall have a goal of offering an incentive that is equal to  
3 25 percent of the installed cost of such a system. In this subdivision (A),  
4 “biomass” means organic nonfossil material constituting a source of renewable  
5 energy within the meaning of subdivision 8002(17) of this title. Provision of  
6 an incentive under this subdivision (A) for a biomass heating system shall not  
7 be contingent on the making of other energy efficiency improvements at the  
8 property on which the system will be installed.

9 (B) Net revenues above costs from the sale of carbon credits under  
10 the cap and trade program established under section 255 of this title, which  
11 shall be deposited into the **Electric Unregulated Fuel Efficiency Account of**  
12 **the Energy** Efficiency Fund established by this section.

13 (C) Proceeds from the energy efficiency charge to electric ratepayers  
14 in excess of the amount specified in subdivision (d)(3)(B)(i) of this section.

15 (D) Any other monies that are appropriated to or deposited in the  
16 **Electric Unregulated Fuel Efficiency Account of the Energy** Efficiency  
17 Fund for the delivery of thermal energy and process fuel energy efficiency  
18 services.

19 Third: After Secs. 1, by inserting new Secs. 2 and 3 to read:

20 Sec. 2. 30 V.S.A. § 255(d) is amended to read:

1 (d) Appointment of consumer trustees. The Public Service Board, by rule,  
2 order, or competitive solicitation, may appoint one or more consumer trustees  
3 to receive, hold, bank, and sell tradable carbon credits created under this  
4 program. Trustees may include Vermont electric distribution utilities, the fiscal  
5 agent collecting and disbursing funds to support the statewide efficiency  
6 utility, or a financial institution or other entity with the expertise and financial  
7 resources to manage a portfolio of carbon credits for the long-term benefit of  
8 Vermont energy consumers. The net proceeds above costs from the sale of  
9 carbon credits shall be deposited into the ~~Electric~~ **Unregulated Fuel**  
10 **Efficiency Account of the Energy** Efficiency Fund established under  
11 subdivision 209(d)(3) of this title. These funds shall be used by the entity or  
12 entities appointed under subdivision 209(d)(2)(B) of this title to help meet the  
13 building efficiency goals established under 10 V.S.A. § 581 by delivering  
14 heating and process-fuel energy efficiency services to Vermont consumers who  
15 use such fuel.

16 Sec. 3. 30 V.S.A. § 8008(b)(2)(D) is amended to read:

17 (D) Deposit into the ~~Electric~~ **Energy** Efficiency Fund for use  
18 pursuant to subsection 209(d) of this title.

19 and by renumbering the remaining section to be numerically correct.