

1 TO THE HONORABLE SENATE:

2 The Committee on Natural Resources and Energy to which was referred  
3 Senate Bill No. 202 entitled “An act relating to the energy efficiency charge”  
4 respectfully reports that it has considered the same and recommends that the  
5 bill be amended by striking out all after the enacting clause and inserting in  
6 lieu thereof the following:

7 Sec. 1. 30 V.S.A. § 209 is amended to read:

8 § 209. JURISDICTION; GENERAL SCOPE

9 \* \* \*

10 (d) Energy efficiency.

11 \* \* \*

12 (3) Energy efficiency charge; regulated fuels. In addition to its existing  
13 authority, the Board may establish by order or rule a volumetric charge to  
14 customers for the support of energy efficiency programs that meet the  
15 requirements of section 218c of this title. The charge shall be known as the  
16 energy efficiency charge, shall be shown separately on each customer’s bill,  
17 and shall be paid to a fund administrator appointed by the Board and deposited  
18 into an Electric Efficiency Fund. When such a charge is shown, notice as to  
19 how to obtain information about energy efficiency programs approved under  
20 this section shall be provided in a manner directed by the Board. This notice

1 shall include, at a minimum, a toll-free telephone number, and to the extent  
2 feasible shall be on the customer's bill and near the energy efficiency charge.

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

7 Interest earned shall remain in the Fund. The Board will annually provide the  
8 General Assembly with a report detailing the revenues collected and the  
9 expenditures made for energy efficiency programs under this section.

10 (B) The charge established by the Board pursuant to this subdivision  
11 (3) shall be in an amount determined by the Board by rule or order that is  
12 consistent with the principles of least cost integrated planning as defined in  
13 section 218c of this title. As circumstances and programs evolve, the amount  
14 of the charge shall be reviewed for unrealized energy efficiency potential and  
15 shall be adjusted as necessary in order to realize all reasonably available,  
16 cost-effective energy efficiency savings. In setting the amount of the charge  
17 and its allocation, the Board shall determine an appropriate balance among the  
18 following objectives; provided, however, that particular emphasis shall be  
19 accorded to the first four of these objectives: reducing the size of future power  
20 purchases; reducing the generation of greenhouse gases; limiting the need to  
21 upgrade the State's transmission and distribution infrastructure; minimizing the

1 costs of electricity; reducing Vermont's total energy expenditures; providing  
2 efficiency and conservation as a part of a comprehensive resource supply  
3 strategy; providing the opportunity for all Vermonters to participate in  
4 efficiency and conservation programs; and the value of targeting efficiency and  
5 conservation efforts to locations, markets, or customers where they may  
6 provide the greatest value. The Board, by rule or order, shall establish a  
7 process by which a customer who pays an average annual energy efficiency  
8 charge under this subdivision (3) of at least \$5,000.00 may apply to the Board  
9 to self-administer energy efficiency through the use of an energy savings  
10 account which shall contain a percentage of the customer's energy efficiency  
11 charge payments as determined by the Board. The remaining portion of the  
12 charge shall be used for systemwide energy benefits. The Board in its rules or  
13 order shall establish criteria for approval of these applications.

14 (C) The Board may authorize the use of funds raised through an  
15 energy efficiency charge on electric ratepayers to reduce the use of fossil fuels  
16 for heating by supporting electric technologies that may increase electric  
17 consumption, such as air source heat pumps if, after investigation, it finds that  
18 deployment of the technology:

19 (i) will be beneficial to electric ratepayers;

20 (ii) will result in cost-effective energy savings to the end-user and  
21 to the State as a whole;

1            (iii) will result in a net reduction in greenhouse gas emissions on a  
2            life-cycle basis and will not have a detrimental impact on the environment  
3            through other means such as release of refrigerants or disposal;

4            (iv) will be part of a comprehensive energy efficiency and  
5            conservation program that meets the requirements of subsections (d)–(g) of  
6            this section and that makes support for the technology contingent on the  
7            energy performance of the building in which the technology is to be  
8            installed. The building’s energy performance shall achieve or shall be  
9            improved to achieve an energy performance level that is approved by the  
10           Board and that is consistent with meeting or exceeding the goals of 10  
11           V.S.A. § 581 (building efficiency);

12           (v) among the product models of the technology that are  
13           suitable for use in Vermont, will employ the product models that are the  
14           most efficient available;

15           (vi) will be promoted in conjunction with demand management  
16           strategies offered by the customer’s distribution utility to address any increase  
17           in peak electric consumption that may be caused by the deployment;

18           (vii) will be coordinated between the energy efficiency and  
19           distribution utilities, consistent with subdivision (f)(5) of this section; and

20           (viii) will be supported by an appropriate allocation of funds  
21           among the funding sources described in this subsection (d) and subsection

1 **(e) of this section. In the case of measures used to increase the energy**  
2 **performance of a building in which the technology is to be installed, the**  
3 **Board shall assume installation of the technology in the building and then**  
4 **determine the allocation according to the proportion of the benefits**  
5 **provided to the regulated fuel and unregulated fuel sectors. In this**  
6 **subdivision (viii), “regulated fuel” and “unregulated fuel” shall have the**  
7 **same meaning as under subsection (e) of this section.**

8 \* \* \*

9 (e) Thermal energy and process fuel efficiency funding.

10 \* \* \*

11 (3) In this subsection:

12 (A) “Efficiency services” includes the establishment of a  
13 statewide information clearinghouse under subsection (g) of this section.

14 (B) “Regulated fuels” means electricity and natural gas delivered  
15 by a regulated utility.

16 (C) “Unregulated fuels” means fuels used by thermal energy and  
17 process fuel customers other than electricity and natural gas delivered by  
18 a regulated utility.

19 \* \* \*

20 Sec. 2. EFFECTIVE DATE

21 This act shall take effect on July 1, 2014.