



State of Vermont  
**Public Service Board**

MEMORANDUM

To: Ginny Lyons, Chair - Senate Natural Resources & Energy  
Ann Cummings, Chair - Senate Finance  
Tony Klein, Chair - House Natural Resources & Energy  
Bill Botzow, Chair - House Commerce  
Donald Milne, Clark of the House  
David Gibson, Secretary of the Senate  
Emily Berquist, Legislative Council

From: James Volz, Chairman, Vermont Public Service Board

A handwritten signature in black ink, appearing to read "James Volz".

Re: Report on Self-Managed Energy Efficiency Program

Date: April 30, 2012

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The Self-Managed Energy Efficiency Program ("Program") was created in 2009 by Act 45<sup>1</sup> to allow eligible transmission and industrial ratepayers to manage their own energy efficiency programs. The Program allows an eligible customer to be exempt from the energy efficiency charge that funds the Energy Efficiency Utility, provided that the customer commits to spending an annual average of no less than \$1 million over a three-year period on energy efficiency investments. The program became effective on January 1, 2010.

Pursuant to 30 V.S.A. § 209(h)(4)(G), the Public Service Board ("Board")

shall report to the general assembly annually by April 30 concerning the prior calendar year's class of self-managed energy efficiency programs. The report shall include identification of participants, their annual investments, and resulting savings, and any actions taken to exclude entities from the program.

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1. Public Act 45, § 14 (2009 Vt., Bien. Sess.).

### Identification of Participants

International Business Machines, Inc. ("IBM") is the only participant in the Program.

### Annual Investments

In 2011, IBM spent approximately \$1,230,757 on energy efficiency investments at its facility.

### Annual Savings

IBM estimates that the investments it installed in 2011 will save 4,154,750 kWh in electricity and 15,707 MMBTU in fuel.<sup>2</sup>

### Actions Taken to Exclude Entities From the Program

IBM is the only entity that applied to participate in the Program. Section 209(h)(4) requires that, in order to be eligible to participate in the Program, a ratepayer must pay a minimum of \$1.5 million in energy efficiency charges in calendar year 2008. The Board is not aware of any entities, other than IBM, that meet this criterion.

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2. Pursuant to the Program design proposed by the Department of Public Service ("Department") and approved by the Board, the Department is required to verify the savings estimated by Program participants. This verification has not yet taken place for the 2011 estimates provided by IBM.