

1 H.216

2 Introduced by Representative Cheney of Norwich

3 Referred to Committee on

4 Date:

5 Subject: Energy; public service; efficient use of heating and other fuels;
6 weatherization; taxation

7 Statement of purpose of bill as introduced: This bill proposes various
8 amendments to promote efficiency in the use of fuels to control temperature
9 within buildings and heat water and to encourage efficiency-related building
10 improvements in order to reduce energy costs and greenhouse gas emissions.

11 An act relating to reducing energy costs and greenhouse gas emissions

12 It is hereby enacted by the General Assembly of the State of Vermont:

13 * * * Thermal Efficiency; Appointment of Entity; Program Criteria * * *

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

15 § 209. JURISDICTION; GENERAL SCOPE

16 * * *

17 (d) Energy efficiency.

18 (1) Programs and measures. The ~~public service department~~ Department
19 of Public Service, any entity appointed by the ~~board~~ Board under subdivision

20 (2) of this subsection, all gas and electric utility companies, and the ~~board~~

1 Board upon its own motion, are encouraged to propose, develop, solicit, and
2 monitor energy efficiency and conservation programs and measures, including
3 appropriate combined heat and power systems that result in the conservation
4 and efficient use of energy and meet the applicable ~~agency of natural~~
5 ~~resources'~~ air quality standards of the Agency of Natural Resources. Such
6 programs and measures, and their implementation, may be approved by the
7 ~~board~~ Board if it determines they will be beneficial to the ratepayers of the
8 companies after such notice and hearings as the ~~board~~ Board may require by
9 order or by rule. The ~~public service department~~ Department of Public Service
10 shall investigate the feasibility of enhancing and expanding the efficiency
11 programs of gas utilities and shall make any appropriate proposals to the ~~board~~
12 Board.

13 (2) Appointment of independent efficiency entities.

14 (A) Electricity and natural gas. In place of utility-specific programs
15 developed pursuant to this section and section 218c of this title, the ~~board~~
16 Board shall, after notice and opportunity for hearing, provide for the
17 development, implementation, and monitoring of gas and electric energy
18 efficiency and conservation programs and measures, including programs and
19 measures delivered in multiple service territories, by one or more entities
20 appointed by the ~~board~~ Board for these purposes. The ~~board~~ Board may
21 include appropriate combined heat and power systems that result in the

1 conservation and efficient use of energy and meet the applicable ~~agency of~~
2 ~~natural resources'~~ air quality standards of the Agency of Natural Resources.
3 Except with regard to a transmission company, the ~~board~~ Board may specify
4 that the appointment of an energy efficiency utility to deliver services within
5 an electric utility's service territory satisfies that electric utility's
6 corresponding obligations, in whole or in part, under section 218c of this title
7 and under any prior orders of the ~~board~~ Board.

8 (B) Thermal energy and process fuel customers. The Board shall
9 provide for the coordinated development, implementation, and monitoring of
10 cost-effective efficiency and conservation programs to thermal energy and
11 process fuel customers on a whole buildings basis by an entity appointed by
12 the Board for this purpose.

13 (i) In this section, "thermal energy" means the use of fuels to
14 control the temperature of space within buildings and to heat water.

15 (ii) Every year, the appointed entity shall propose to the Board a
16 plan to implement this subdivision (d)(2)(B) which the Board shall approve on
17 a determination that the plan complies with subsections (e)–(g) of this section.
18 The Board shall not conduct the review of the proposed plan as a contested
19 case under 3 V.S.A. chapter 25 but shall provide notice and an opportunity for
20 written and oral comments to the public and affected parties and state agencies.

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

13 (A) Balances in the ~~electric efficiency fund~~ Electric Efficiency Fund
14 shall be ratepayer funds, shall be used to support the activities authorized in
15 this subdivision, and shall be carried forward and remain in the ~~fund~~ Fund at
16 the end of each fiscal year. These monies shall not be available to meet the
17 general obligations of the ~~state~~ State. Interest earned shall remain in the ~~fund~~
18 Fund. The ~~board~~ Board will annually provide the ~~legislature~~ General
19 Assembly with a report detailing the revenues collected and the expenditures
20 made for energy efficiency programs under this section.

1 (4)(B) The charge established by the ~~board~~ Board pursuant to this
2 subdivision (3) ~~of this subsection~~ shall be in an amount determined by the
3 ~~board~~ Board by rule or order that is consistent with the principles of least cost
4 integrated planning as defined in section 218c of this title. As circumstances
5 and programs evolve, the amount of the charge shall be reviewed for
6 unrealized energy efficiency potential and shall be adjusted as necessary in
7 order to realize all reasonably available, cost-effective energy efficiency
8 savings. In setting the amount of the charge and its allocation, the ~~board~~ Board
9 shall determine an appropriate balance among the following objectives;
10 provided, however, that particular emphasis shall be accorded to the first four
11 of these objectives: reducing the size of future power purchases; reducing the
12 generation of greenhouse gases; limiting the need to upgrade the ~~state's~~ State's
13 transmission and distribution infrastructure; minimizing the costs of electricity;
14 providing efficiency and conservation as a part of a comprehensive resource
15 supply strategy; providing the opportunity for all Vermonters to participate in
16 efficiency and conservation programs; and the value of targeting efficiency and
17 conservation efforts to locations, markets, or customers where they may
18 provide the greatest value. No later than December 31, 2009, the ~~board~~ Board,
19 by rule or order, shall establish a process by which a customer who pays an
20 average annual energy efficiency charge under subdivision (3) ~~of this~~
21 ~~subsection~~ of at least \$5,000.00 may apply to the ~~board~~ Board to

1 self-administer energy efficiency through the use of an energy savings account
2 which shall contain a percentage of the customer's energy efficiency charge
3 payments as determined by the ~~board~~ Board. The remaining portion of the
4 charge shall be used for systemwide energy benefits. The ~~board~~ Board in its
5 rules or order shall establish criteria for approval of these applications.

6 ~~(5)(4)~~ Contract or order of appointment. Appointment of an entity
7 under subdivision (2) of this subsection may be by contract or by an order of
8 appointment. An appointment, whether by order of appointment or by
9 contract, may only be issued after notice and opportunity for hearing. An order
10 of appointment shall be for a limited duration not to exceed 12 years, although
11 an entity may be reappointed by order or contract. An order of appointment
12 may include any conditions and requirements that the ~~board~~ Board deems
13 appropriate to promote the public good. For good cause, after notice and
14 opportunity for hearing, the ~~board~~ Board may amend or revoke an order of
15 appointment.

16 ~~(6)(5)~~ Appointed entity; supervision. Any entity appointed by order of
17 appointment under subdivisions (2) and ~~(5)(4)~~ of this subsection that is not an
18 electric or gas utility already regulated under this title shall not be considered
19 to be a company as defined under section 201 of this title, but shall be subject
20 to the provisions of sections 18-21, 30-32, 205-208, subsection 209(a), sections
21 219, 221, and subsection 231(b) of this title, to the same extent as a company

1 as defined under section 201 of this title. The ~~board~~ Board and the ~~department~~
2 ~~of public service~~ Department of Public Service shall have jurisdiction under
3 those sections over the entity, its directors, receivers, trustees, lessees, or other
4 persons or companies owning or operating the entity and of all plants,
5 equipment, and property of that entity used in or about the business carried on
6 by it in this ~~state~~ State as covered and included in this section. This
7 jurisdiction shall be exercised by the ~~board~~ Board and the ~~department~~
8 Department so far as may be necessary to enable them to perform the duties
9 and exercise the powers conferred upon them by law. The ~~board~~ Board and the
10 ~~department~~ Department each may, when they deem the public good requires,
11 examine the plants, equipment, and property of any entity appointed by order
12 of appointment under subdivisions (2) and ~~(5)~~(4) of this subsection.

13 (e) Thermal energy and process fuel efficiency funding. Each of the
14 following shall be used to deliver thermal energy and process fuel energy
15 efficiency services under this section to Vermont consumers of such fuel:

16 (1) Monies from the Fuel Efficiency Fund established under section
17 203a of this title.

18 ~~(7)~~(2) Net revenues above costs associated with payments from the New
19 England Independent System Operator (ISO-NE) for capacity savings resulting
20 from the activities of the energy efficiency utility designated under subdivision
21 ~~(2)~~(A) of this subsection that are not transferred to the state PACE reserve fund

1 ~~under 24 V.S.A. § 3270(c). These revenues shall be deposited into the electric~~
2 ~~efficiency fund~~ Electric Efficiency Fund established by this section. ~~Any such~~
3 ~~net revenues shall be used by the entity appointed under subdivision (2) of this~~
4 ~~subsection to deliver heating and process fuel energy efficiency services to~~
5 ~~Vermont consumers of such fuel on a whole buildings basis to help meet the~~
6 ~~state's building efficiency goals established by 10 V.S.A. § 581. In delivering~~
7 ~~such services with respect to heating systems~~ using the revenues subject to this
8 subdivision (1), the entity shall give priority to incentives for the installation of
9 high efficiency biomass heating systems and shall have a goal of offering an
10 incentive that is equal to 25 percent of the installed cost of such a system. ~~For~~
11 ~~the purpose of~~ In this subdivision (7)(1), "biomass" means organic nonfossil
12 material constituting a source of renewable energy within the meaning of
13 subdivision 8002(17) of this title. Provision of an incentive under this
14 subdivision ~~(7)(1)~~ for a woody biomass heating system shall not be contingent
15 on the making of other energy efficiency improvements at the property on
16 which the system will be installed.

17 ~~(8)(3) Effective January 1, 2010, such net~~ Net revenues above costs
18 from the sale of carbon credits under the cap and trade program ~~as provided for~~
19 ~~in~~ established under section 255 of this title, which shall be deposited into the
20 ~~electric efficiency fund~~ Electric Efficiency Fund established by this section.
21 ~~Such revenues shall be used by the entity appointed under subdivision (2) of~~

1 ~~this subsection to support delivery of the services described in subdivision (7)~~
2 ~~of this subsection.~~

3 ~~(e) The board~~ (f) Goals and criteria; all energy efficiency programs. With
4 respect to all energy efficiency programs approved under this section, the
5 Board shall:

6 (1) Ensure that all retail consumers, regardless of retail electricity, gas,
7 or heating or process fuel provider, will have an opportunity to participate in
8 and benefit from a comprehensive set of cost-effective energy efficiency
9 programs and initiatives designed to overcome barriers to participation;

10 (2) Require that continued or improved efficiencies be made in the
11 production, delivery, and use of energy efficiency services, including the use
12 of compensation mechanisms for any energy efficiency entity appointed under
13 subdivision (d)(2) of this section that are based upon verified savings in energy
14 usage and demand, and other performance targets specified by the ~~board~~
15 Board. The linkage between compensation and verified savings in energy
16 usage and demand (and other performance targets) shall be reviewed and
17 adjusted not less than triennially by the ~~board~~. Board;

18 (3) Build on the energy efficiency expertise and capabilities that have
19 developed or may develop in the ~~state~~. State;

1 (4) Promote program initiatives and market strategies that address the
2 needs of persons or businesses facing the most significant barriers to
3 participation;

4 (5) Promote and assure coordinated program delivery, including
5 coordination with low income weatherization programs, regional and local
6 efficiency entities, other efficiency programs, and utility programs;

7 (6) Consider innovative approaches to delivering energy efficiency,
8 including strategies to encourage third party financing and customer
9 contributions to the cost of efficiency measures;

10 (7) Provide a reasonably stable multiyear budget and planning cycle in
11 order to promote program improvement, program stability, enhanced access to
12 capital and personnel, improved integration of program designs with the
13 budgets of regulated companies providing energy services, and maturation of
14 programs and delivery resources;

15 (8) Approve programs, measures, and delivery mechanisms that
16 reasonably reflect current and projected market conditions, technological
17 options, and environmental benefits;

18 (9) Provide for delivery of these programs as rapidly as possible, taking
19 into consideration the need for these services, and cost-effective delivery
20 mechanisms;

1 (10) Provide for the independent evaluation of programs delivered under
2 subsection (d) of this section;

3 (11) Require that any entity appointed by the ~~board~~ Board under
4 subsection (d) of this section deliver ~~board-approved~~ Board-approved
5 programs in an effective, efficient, timely, and competent manner and meet
6 standards that are consistent with those in section 218c of this title, the ~~board's~~
7 Board's orders in ~~public service board~~ Public Service Board docket 5270, and
8 any relevant ~~board~~ Board orders in subsequent energy efficiency proceedings;

9 (12) Require verification, on or before January 1, 2003, and every three
10 years thereafter, by an independent auditor of the reported energy and capacity
11 savings and cost-effectiveness of programs delivered by any entity appointed
12 by the ~~board~~ Board to deliver energy efficiency programs under subdivision
13 (d)(2) of this section;

14 (13) Ensure that any energy efficiency program approved by the ~~board~~
15 Board shall be reasonable and cost-effective;

16 (14) Consider the impact on retail electric rates and bills of programs
17 delivered under subsection (d) of this section and the impact on fuel prices and
18 bills;

19 (15) Ensure that the energy efficiency programs implemented under this
20 section are designed to make continuous and proportional progress toward
21 attaining the overall ~~state~~ State building efficiency goals established by

1 10 V.S.A. § 581, by promoting all forms of energy end-use efficiency and
2 comprehensive sustainable building design; ~~The funds made available under~~
3 ~~subdivision (d)(7) of this section may be used by an efficiency entity appointed~~
4 ~~under subdivision (2) of this section to deliver fossil fuel energy efficiency~~
5 ~~services to Vermont heating and process fuel consumers on a whole building~~
6 ~~basis.~~

7 (16) Ensure that programs approved under this section comply with the
8 rules of the Department of Public Service for auditing, analysis, and
9 cost-effectiveness screening, when adopted by the Department under
10 subsection 2(e) of this title.

11 (g) Thermal energy and process fuel efficiency programs; additional
12 criteria. With respect to energy efficiency programs delivered under this
13 section to thermal energy and process fuel customers, the Board shall:

14 (1) Ensure that programs are delivered on a whole-buildings basis to
15 help meet the State's building efficiency goals established by 10 V.S.A. § 581
16 and to reduce greenhouse gas emissions from thermal energy and process fuel
17 use in Vermont;

18 (2) Require the entity appointed under subdivision (d)(2)(B) of this
19 section to function as a statewide information clearinghouse to enable effective
20 access for customers to and effective coordination across programs. The entity
21 shall serve as a portal for customers to access thermal energy and process fuel

1 efficiency services and shall coordinate with other state, regional, and local
2 entities involved in the planning or delivery of such services, making referrals
3 as necessary;

4 (3) In consultation with the Agency of Natural Resources, establish
5 annual interim goals starting in 2014 to meet the 2017 and 2020 goals for
6 improving the energy fitness of housing stock stated in 10 V.S.A. § 581(1);

7 (4) Ensure the monitoring of the State's progress in meeting the goals of
8 10 V.S.A. § 581(1). This monitoring shall be performed on a periodic basis
9 that is not less than annual;

10 (5) Ensure that thermal energy efficiency measures that have net
11 benefits to the electric system, such as cooling, are supported by the Electric
12 Efficiency Fund.

13 * * *

14 Sec. 2. APPOINTED ENTITY; INITIAL THREE-YEAR PLAN;

15 STATUTORY REVISION

16 (a) The entity appointed by the Public Service Board (the Board) to deliver
17 energy efficiency services to multiple regions of the State under 30 V.S.A.
18 § 209(d) as of January 1, 2013 shall be the entity appointed under 30 V.S.A.
19 § 209(d)(2)(B) as amended by Sec. 1 of this act.

20 (1) This appointment shall be subject to the supervisory authority of the
21 Board under 30 V.S.A. § 209(d).

1 (2) This subsection (a) does not confer any right to the appointed entity
2 to continue to be appointed under 30 V.S.A. § 209(d)(2)(B) beyond the period
3 of any existing contract or order of appointment. The Board may revise the
4 terms of such contract or order of appointment as necessary to conform the
5 provisions of this act.

6 (b) On or before September 1, 2013, the entity appointed under 30 V.S.A.
7 § 209(d)(2)(B) as amended by Sec. 1 of this act shall propose its initial annual
8 plan under that subdivision 209(d)(2)(B). On or before December 15, 2013,
9 the Board shall complete its review and issue its decision on this initial annual
10 plan. This initial plan and the review of this plan shall include consideration of
11 the recommendations of the Thermal Efficiency Task Force: A Report to the
12 General Assembly; Meeting the Thermal Efficiency Goals for Vermont
13 Buildings (January 2013).

14 (c) On or December 15, 2013, the Board shall establish the interim goals
15 and periodic monitoring required by Sec. 1 of this act, 30 V.S.A. § 209(g)(3)
16 and (4).

17 (d) During statutory revision, the Office of Legislative Council shall make
18 the following technical corrections to 30 V.S.A. § 209 resulting from Sec. 1 of
19 this act:

20 (1) Reletter 30 V.S.A. § 209(f)–(h) to be 30 V.S.A. § 209(h)–(j).

1 (2) With respect to 30 V.S.A. § 209(a)–(c) and (h)–(j), insert an internal
2 caption in each subsection that reflects its subject matter.

3 * * * Screening and Auditing Criteria * * *

4 Sec. 3. 30 V.S.A. § 2 is amended to read:

5 § 2. DEPARTMENT OF PUBLIC SERVICE; POWERS

6 * * *

7 (e) The Department of Public Service shall adopt by rule minimum
8 standards for the auditing, analysis, and cost-effectiveness screening of energy
9 efficiency programs that shall be the minimum standards used in delivering
10 energy efficiency programs that are funded in whole or part by revenues raised
11 from Vermont taxpayers or ratepayers.

12 * * * Building Energy Standards * * *

13 Sec. 4. 21 V.S.A. § 266 is amended to read:

14 § 266. RESIDENTIAL BUILDING ENERGY STANDARDS

15 (a) Definitions. ~~For purposes of~~ In this subchapter, the following
16 definitions apply:

17 * * *

18 (2) “Residential buildings” means one family dwellings, two family
19 dwellings, and multi-family housing three stories or less in height.

20 (A) With respect to a structure that is three stories or less in height
21 and is a mixed-use building that shares residential and commercial users, the

1 term “residential building” shall include the living spaces in the structure and
2 the nonliving spaces in the structure that serve only the residential users such
3 as common hallways, laundry facilities, residential management offices,
4 community rooms, storage rooms, and foyers.

5 (B) “Residential buildings” shall not include hunting camps.

6 * * *

7 Sec. 5. 21 V.S.A. § 268 is amended to read:

8 § 268. COMMERCIAL BUILDING ENERGY STANDARDS

9 (a) Definitions. ~~For purposes of~~ In this subchapter, “commercial buildings”
10 means all buildings that are not residential buildings as defined in subdivision
11 266(a)(2) of this title or farm structures as defined in 24 V.S.A. § 4413.

12 * * *

13 (3) With respect to a structure that is a mixed-use building that shares
14 residential and commercial users:

15 (A) if the structure is three stories or fewer in height, the term
16 “commercial building” shall include all commercial uses within the structure
17 and all common areas and facilities that serve both residential and commercial
18 uses; and

19 (B) if the structure is four stories or more in height, the term
20 “commercial building” shall include all uses and areas within the structure.

21 * * *

1 Sec. 6. 21 V.S.A. § 270 is added to read:

2 § 270. TRANSFER OF CERTIFICATE WITH PROPERTY CONVEYANCE

3 At the closing for a sale of real property containing a residential or
4 commercial building that becomes subject to the requirements of this
5 subchapter due to construction or renovation commencing on or after July 1,
6 2013, the seller shall transfer the RBES or CBES certificate to the buyer. In
7 the event that a required RBES certificate is not available, a Home Energy
8 Rating System (HERS) score of 75 or less shall qualify as certifying
9 compliance with the RBES for the purpose of this section.

10 Sec. 7. 27 V.S.A. § 617 is added to read:

11 § 617. CERTIFICATES AT CLOSING; RESIDENTIAL AND
12 COMMERCIAL BUILDING ENERGY STANDARDS

13 (a) Transfer of building energy certificate with conveyance of property.
14 The closing for a sale of real property containing a building shall include such
15 transfer as is required under 21 V.S.A. § 270 (building energy standards;
16 transfer of certificate with property conveyance).

17 (b) Marketability of title. Noncompliance with the requirements of this
18 section shall not affect the marketability of title of a property.

19 (c) Right to terminate. A buyer shall have the right to terminate without
20 penalty a binding contract for the sale of real estate if, at closing, the seller fails

1 to comply with 21 V.S.A. § 270. The seller shall return any deposit paid to a
2 buyer exercising his or her right under this section.

3 Sec. 8. 32 V.S.A. § 9606 is amended to read:

4 § 9606. PROPERTY TRANSFER RETURN

5 (a) A property transfer return complying with this section shall be delivered
6 to a town clerk at the time a deed evidencing a transfer of title to property is
7 delivered to the clerk for recording.

8 * * *

9 (h) The property transfer return required under this section shall also
10 contain a certification signed under oath or affirmation by the seller certifying
11 that the seller has transferred to the buyer such certificate as is required under
12 21 V.S.A. § 270 (building energy standards; transfer of certificate with
13 property conveyance).

14 Sec. 9. RECODIFICATION; DESIGNATION

15 (a) 21 V.S.A. §§ 266, 267, 268, 269, and 270 are recodified respectively as
16 30 V.S.A. §§ 51, 52, 53, 54, and 55. During statutory revision, the Office of
17 Legislative Council shall revise accordingly any references to these statutes
18 contained in the Vermont Statutes Annotated. Any references in session law
19 and adopted rules to these statutes as previously codified shall be deemed to
20 refer to the statutes as recodified by this act.

1 (b) 30 V.S.A. chapter 2 is designated to read:

2 CHAPTER 2. BUILDING ENERGY

3 (c) Within 30 V.S.A. chapter 2, §§ 51-55 shall be within subchapter 1

4 which is designated to read:

5 Subchapter 1. Building Energy Standards

6 (d) Within 21 V.S.A. chapter 3, the designation of subchapter 9 (building
7 energy standards) shall be deleted.

8 * * * Voluntary Building Energy Disclosure * * *

9 Sec. 10. 30 V.S.A. chapter 2, subchapter 2 is added to read:

10 Subchapter 2. Building Energy Disclosure

11 § 61. DEFINITIONS

12 In this subchapter:

13 (1) “Asset rating” means a rating of a building’s energy use through
14 modeling under standardized weather and occupancy conditions.

15 (2) “Btu” means a British thermal unit.

16 (3) “Building” means any enclosed structure created for use as a
17 residence or as a place of business or of any other activity, whether
18 commercial or noncommercial in character.

19 (5) “Commercial building” means any building that is not a residential
20 building. The term excludes equipment and physical systems that are exempt

1 from the commercial building energy standards under 21 V.S.A. § 268(a)(2)
2 (industrial and manufacturing processes).

3 (6) “Commercial unit” means that part of a commercial building which
4 is occupied by or intended for occupation by an individual owner or tenant.

5 (7) “Department” means the Department of Public Service under
6 section 1 of this title.

7 (8) “Operational rating” means a rating of a building’s energy use by
8 measuring actual energy consumption on an annual basis, taking into
9 consideration all physical systems and their operation.

10 (9) “Residential building” means a building in which the space meets or
11 is intended to meet the living needs of one or more individuals and excludes a
12 building that mixes residential with commercial or other nonresidential uses.

13 (10) “Residential unit” means a separately enclosed space within a
14 building that meets or is intended to meet the living needs of one or more
15 individuals.

16 (11) “Small residential building” means a residential building that is a
17 one-family dwelling or which contains up to and including four residential
18 units.

19 § 62. DISCLOSURE TOOL

20 (a) The Department shall select or develop one or more tools that an owner
21 or occupant of a building, commercial unit, or residential unit may use to

1 disclose the energy performance of the building or unit to another person,
2 including a potential purchaser or occupant, or that a prospective purchaser or
3 occupant of such a building or unit may use to compare the energy
4 performance of different buildings and units.

5 (b) The Department shall ensure that a disclosure tool developed or
6 selected for use under this section meets each of the following:

7 (1) The tool shall be readily and publicly available at no charge to the
8 end user.

9 (2) The tool shall be available on the Internet and shall be capable of
10 being completed and saved by a person using a web browser.

11 (3) For a small residential building, the applicable tool shall be based on
12 an asset rating methodology. For other kinds of buildings, the applicable tool
13 may be based on an asset rating or operational rating methodology. For
14 residential units, different tools may be developed or selected according to
15 building type, such as townhouse or flat style. In developing or selecting tools
16 applicable to residential units, the Department's goal shall be to allow, as much
17 as possible, prospective buyers of such units to compare the units' energy
18 performance regardless of whether the units are in a small residential or large
19 residential building.

20 (4) A tool developed or selected by the Department for a small
21 residential building shall result in a rating that can be presented as a single

1 number to allow comparison with other buildings or units rated with the same
2 tool and shall have the following features:

3 (A) The disclosure shall present the rating as a single number on a
4 visual scale.

5 (B) The disclosure shall compare the rating to other buildings or units
6 of the same type as the building or unit being rated such as an average building
7 of the same type in Vermont or a building that meets the energy standards
8 under Title 21 applicable to the type of building being rated.

9 (C) The disclosure shall produce an estimate, in Btus, of the site
10 energy consumption of the building or unit based on standardized weather and
11 occupancy conditions.

12 (D) The disclosure shall state the square footage of the building or
13 unit and the energy consumed in Btus per square foot.

14 (E) The disclosure shall state an estimated annual energy cost.

15 (F) The disclosure shall itemize the data supplied by the user to
16 reach the rating.

17 (5) For a building that is not a small residential building, a tool
18 developed or selected by the Department shall meet the requirements of
19 subdivision (4) of this subsection to the extent feasible.

1 (6) The rating generated by the tool shall be either compatible with the
2 Home Energy Rating System (HERS) or the tool shall provide a means for
3 comparing and reconciling the rating it generates with a HERS rating.

4 (7) The tool shall predict with reasonable accuracy the energy
5 performance of the building or unit assuming an average occupant, and its
6 results shall be repeatable and predictable.

7 (8) If the selected tool is one created for national use, the Department
8 shall ensure that it is appropriately adapted for use in Vermont.

9 § 63. PROCEDURE FOR ADOPTION AND REVISION

10 The Department shall comply with the following in adopting or revising a
11 tool under section 62 of this title:

12 (1) The Department shall provide for broad public notice of the
13 proposed tool or tool revision, including notice on its web page and notice to
14 mortgage lenders, persons licensed to engage in the business of selling or
15 appraising real property in Vermont and each association of such persons,
16 home inspectors, the Vermont Bar Association, each entity appointed to
17 deliver energy efficiency under subdivision 209(d)(2) of this title, and energy
18 efficiency experts and businesses. Notice also shall be given to the advisory
19 committees described in 21 V.S.A. §§ 266(c) (residential building energy
20 standards) and 268(c) (commercial building energy standards).

1 (2) The Department shall provide a reasonable opportunity for the
2 submission of written comments and to request a public hearing on the
3 proposed tool or tool revision. The Department may hold such a public
4 hearing in its discretion.

5 (b) The Department shall be entitled to the assistance of the Office of
6 Professional Regulation created under 3 V.S.A. § 122 for the purpose of
7 providing notice under this section to persons licensed to sell or appraise real
8 property in Vermont.

9 Sec. 11. INITIAL ADOPTION; REPORT

10 (a) On or before December 15, 2013, the Department of Public Service (the
11 Department) shall select or adopt the tools required under Sec. 10 (building
12 energy disclosure) of this act.

13 (b) On or before December 15, 2016, the Department shall report to the
14 General Assembly in writing on the development and use of disclosure tools
15 under Sec. 10 of this act. This report shall:

16 (1) identify the tools selected or adopted by the Department;

17 (2) describe the efforts made to disseminate the tools for public use;

18 (3) describe, to the extent feasible, the frequency of the tools' use,
19 including their relative use by sector, such as residential or commercial, and
20 the contexts in which the tools were used, such as property sale or lease;

1 (b) Use of the ~~fund~~ Fund. The ~~fuel efficiency fund~~ Fuel Efficiency Fund
2 shall be used to support the delivery of energy efficiency services to Vermont
3 heating and process fuel consumers and to carry out cost-effective thermal
4 efficiency measures and reductions in greenhouse gas emissions from those
5 sectors. These ~~energy~~ thermal efficiency services shall be delivered ~~by the~~
6 ~~service provider or providers selected by the public service department under~~
7 ~~section 235 of this title to perform these functions~~ by the entity appointed
8 under subdivision 209(d)(2)(B) of this title.

9 (c) Report. On or before January 15, ~~2010~~ 2015, and annually thereafter,
10 the ~~public service department~~ Public Service Board shall report to the
11 ~~legislature~~ General Assembly on the expenditure of funds from the ~~fuel~~
12 ~~efficiency fund to meet the public's needs for energy efficiency services~~ Fuel
13 Efficiency Fund. The provisions of 2 V.S.A. § 20(d) (expiration of required
14 reports) shall not apply to the report required by this subsection.

15 (d) ~~Department~~ Board costs. Up to ~~five~~ one percent of amounts allocated to
16 the ~~public service department from the fund~~ Fund may be used by the Board
17 for administrative costs directly related to the ~~fuel efficiency fund~~ Fuel
18 Efficiency Fund.

19 Sec. 13. FUNDS PREVIOUSLY IN FUEL EFFICIENCY FUND

20 Notwithstanding Sec. 12 of this act, any funds in the Fuel Efficiency Fund
21 as of the effective date of this section that have been committed to a specific

1 purpose but not yet expended shall be used for the purpose to which they were
2 committed.

3 * * * Other Changes to Title 30 * * *

4 Sec. 14. 30 V.S.A. § 30 is amended to read:

5 § 30. PENALTIES; AFFIDAVIT OF COMPLIANCE

6 (a)(1) A person, company₂ or corporation subject to the supervision of the
7 ~~board or the department of public service~~ Board or the Department of Public
8 Service, who refuses the ~~board or the department of public service~~ Board or the
9 Department of Public Service access to the books, accounts₂ or papers of such
10 person, company₂ or corporation within this ~~state~~ State, so far as may be
11 necessary under the provisions of this title, or who fails, other than through
12 negligence, to furnish any returns, reports₂ or information lawfully required by
13 it, or who willfully hinders, delays₂ or obstructs it in the discharge of the duties
14 imposed upon it, or who fails within a reasonable time to obey a final order or
15 decree of the ~~board~~ Board, or who violates a provision of chapter 2, 7, 75, or
16 89 of this title, or a provision of section 231 or 248 of this title, or a rule of the
17 ~~board~~ Board, shall be required to pay a civil penalty as provided in subsection
18 (b) of this section, after notice and opportunity for hearing.

19 * * *

1 Sec. 15. REPEAL

2 30 V.S.A. § 235 (heating and process fuel efficiency program; Department
3 of Public Service) is repealed.

4 Sec. 16. 30 V.S.A. § 255 is amended to read:

5 § 255. REGIONAL COORDINATION TO REDUCE GREENHOUSE
6 GASES

7 * * *

8 (d) Appointment of consumer trustees. ~~The public service board~~ Public
9 Service Board, by rule, order, or competitive solicitation, may appoint one or
10 more consumer trustees to receive, hold, bank, and sell tradable carbon credits
11 created under this program. Trustees may include Vermont electric
12 distribution utilities, the fiscal agent collecting and disbursing funds to support
13 the statewide efficiency utility, or a financial institution or other entity with the
14 expertise and financial resources to manage a portfolio of carbon credits for the
15 long-term benefit of Vermont energy consumers. ~~Fifty percent of the net~~
16 ~~proceeds above costs from the sale of carbon credits shall be deposited into the~~
17 ~~fuel efficiency fund established under section 203a of this title. These funds~~
18 ~~shall be used to provide expanded fossil fuel energy efficiency services to~~
19 ~~residential consumers who have incomes up to and including 80 percent of the~~
20 ~~median income in the state. The remaining 50 percent of the~~ The net proceeds
21 above costs from the sale of carbon credits shall be deposited into the ~~electric~~

1 ~~efficiency fund~~ Electric Efficiency Fund established under subdivision
2 209(d)(3) of this title. These funds shall be used by the entity or entities
3 appointed under subdivision 209(d)(2) of this title to help meet the building
4 efficiency goals established under 10 V.S.A. § 581 by delivering heating and
5 process-fuel energy efficiency services to Vermont consumers who use such
6 fuel and are businesses or are residential consumers whose incomes exceed 80
7 percent of the median income in the state.

8 * * *

9 * * * Low-Income Weatherization * * *

10 Sec. 17. 33 V.S.A. § 2502 is amended to read:

11 § 2502. HOME WEATHERIZATION ASSISTANCE PROGRAM

12 (a) The ~~director~~ Director of the ~~state office of economic opportunity~~ State
13 Office of Economic Opportunity shall administer a ~~home weatherization~~
14 ~~assistance program~~ Home Weatherization Assistance Program under such
15 rules, regulations, funding, and funding requirements as may be imposed by
16 federal law.

17 (b) In addition, the ~~director~~ Director shall supplement, or supplant, any
18 federal program with a ~~state home weatherization assistance program~~ State
19 Home Weatherization Assistance Program.

20 (1) The ~~state program~~ State Program shall provide an enhanced
21 weatherization assistance amount exceeding the federal per unit limit allowing

1 amounts up to an average of \$6,000.00 per unit allocated on a cost-effective
2 basis. In units where costs exceed the allowable average by more than 25
3 percent, prior approval of the ~~director~~ Director of the ~~state economic~~
4 ~~opportunity office~~ State Economic Opportunity Office shall be required before
5 work commences. This amount shall be adjusted annually by increasing the
6 last year's amount by the percentage increase in the Consumer Price Index for
7 the previous year.

8 (2) The ~~state program~~ State Program shall provide amounts for ~~low~~
9 ~~income~~ low-income customers utilizing any high operating cost fuel, to convert
10 to another fuel source under rules adopted by the ~~director~~ Director based on the
11 cost effectiveness of the converted facility over the life cycle of the equipment.

12 (3) The ~~director~~ Director, in collaboration with the weatherization
13 service providers and other stakeholders, shall develop the ~~state program~~ State
14 Program so that it will include:

15 (A) Facilitating the development and implementation of a statewide
16 common energy-audit tool or tools that work well on all Vermont housing,
17 including multi-family buildings.

18 (B) With regard to multi-family buildings, requiring either of the
19 following requirements to be met:

20 (i) at least 25 percent or more of the tenants in the building are
21 eligible for the ~~weatherization program~~ Program; or

1 (ii) at least 50 percent of the units are weatherization affordable,
2 and at least one tenant of the building has applied for the ~~weatherization~~
3 ~~program~~ Program and has been determined to be eligible. For purposes of this
4 subdivision, “weatherization affordable” means a unit having a rent that is
5 established at less than 30 percent of the income level established by
6 computing ~~60~~ 80 percent of the area median income level or ~~60~~ 80 percent of
7 the ~~state~~ State median income level, whichever is higher, for the relevant
8 household size. Relevant household size means the number of bedrooms in the
9 unit, plus one.

10 (C) Establishing ~~program~~ Program eligibility levels at ~~60~~ 80 percent
11 of the area median income, or ~~60~~ 80 percent of the ~~state~~ State median income,
12 whichever is higher.

13 (D) Eliminating the lien requirements on weatherized rental
14 properties, so long as the landlord executes a rent stabilization agreement
15 which has a term of at least one year.

16 (E) Generally, allowing flexibility to accommodate special
17 circumstances in which greater energy savings can be realized or health and
18 safety problems may be alleviated.

19 (F) Increasing the number of ~~low-income~~ low-income homes
20 weatherized each year, or the scope of services provided, or both, to reflect

1 increased revenues in the ~~home weatherization assistance trust fund~~ Home
2 Weatherization Assistance Trust Fund under section 2501 of this title.

3 (4) The State Program shall provide funding for the installation of solar
4 domestic hot water systems and other renewable energy systems on eligible
5 homes, where cost-effective and consistent with other ~~program~~ Program needs.

6 (5) The State Program under this section shall comply with the rules of
7 the Department of Public Service for auditing, analysis, and cost-effectiveness
8 screening, when adopted by the Department under 30 V.S.A. § 2(e).

9 * * *

10 Sec. 18. 33 V.S.A. § 2503 is amended to read:

11 § 2503. FUEL GROSS RECEIPTS TAX

12 (a) There is imposed a gross receipts tax of ~~0.5~~ one percent on the retail
13 sale of the following types of fuel by sellers receiving more than \$10,000.00
14 annually for the sale of such fuels:

15 (1) heating oil, kerosene, and other dyed diesel fuel delivered to a
16 residence or business;

17 (2) propane;

18 (3) natural gas;

19 (4) electricity;

20 (5) coal.

1 (b) The tax shall be levied upon and collected quarterly from the seller.

2 Fuel sellers may include the following message on their bills to customers:

3 “The amount of this bill includes a ~~0.5%~~ one percent gross receipts tax,
4 ~~enacted in 1990~~, for support of Vermont’s low income home weatherization
5 program and other programs to reduce energy costs through efficiency and
6 conservation.”

7 (c) The tax shall be administered by the ~~commissioner of taxes, and all~~
8 ~~receipts~~ Commissioner of Taxes. Quarterly receipts shall be deposited by the
9 ~~commissioner in the home weatherization assistance trust fund~~ Commissioner
10 as follows: 75 percent into the Home Weatherization Assistance Trust Fund
11 under section 2501 of this title and 25 percent into the Fuel Efficiency Fund
12 under 30 V.S.A. § 203a. All provisions of law relating to the collection,
13 administration and enforcement of the sales and use tax imposed by 32 V.S.A.
14 chapter 233 shall apply to the tax imposed by this chapter.

15 * * *

16 (g) On or before August 7 of each year, the ~~director~~ Director of the ~~state~~
17 ~~office of economic opportunity~~ State Office of Economic Opportunity shall set
18 aside a sum of money equaling two and one-half percent of the tax receipts of
19 the fuel gross receipts tax deposited into the Home Weatherization Assistance
20 Trust Fund for the preceding fiscal year in an escrow account. The monies in
21 the escrow account are to be used for rebate, as approved under subsections (e)

1 and (f) of this section, of the gross receipts tax established in subsection (a) of
2 this section. Upon approval of rebates, the ~~director~~ Director shall pay the
3 approved rebates out of the escrow account. In the event that the approved
4 rebates exceed the amount of money set aside in the escrow account, the
5 ~~director~~ Director shall prorate each rebate. Any balance of rebate awards
6 remaining unpaid as a result of proration may be carried forward for payment
7 in a succeeding year. If monies set aside exceed approved rebates, then the
8 balance shall be returned to the trust fund. The ~~director of the state economic~~
9 ~~opportunity office~~ Director shall use the remainder of the tax receipts of the
10 fuel gross receipts tax deposited into the Home Weatherization Assistance
11 Trust Fund for the preceding fiscal year to assure the provision of
12 weatherization services as described in subsections 2502(a), (b), and (c) of this
13 title.

14 (h) No tax under this section shall be imposed for any quarter ending after
15 June 30, 2016. Monies from the escrow account shall be issued for rebates
16 pursuant to subsection (g) of this section until March 1, 2017.

17 Sec. 19. 33 V.S.A. § 2602 is amended to read:

18 § 2602. ADMINISTRATION

19 * * *

20 (d) The Secretary shall require that an applicant to the Home Heating Fuel
21 Assistance Program submit the approximate number of square feet of the

1 household's dwelling unit. For those households that receive a Home Heating
2 Fuel Assistance benefit, the Secretary shall provide the dwelling unit square
3 footage and each household's heating fuel consumption for the previous year
4 to the Administrator of the Home Weatherization Assistance Program
5 established under chapter 25 of this title.

6 Sec. 20. 33 V.S.A. § 2608 is amended to read:

7 § 2608. WEATHERIZATION PROGRAM AGREEMENTS

8 The ~~director~~ Director of the ~~home energy assistance program~~ Home Energy
9 Assistance Program shall inform the ~~administrator~~ Administrator of the ~~home~~
10 ~~weatherization assistance program~~ Home Weatherization Assistance Program,
11 established under chapter 25 of this title, of all participants in the ~~home heating~~
12 ~~fuel assistance program~~ Home Heating Fuel Assistance Program and of the
13 information required by section 2602(d) of this chapter. The ~~agency of human~~
14 ~~services~~ Agency of Human Services shall provide all participants in the ~~home~~
15 ~~heating fuel assistance program~~ Home Heating Fuel Assistance Program with
16 information regarding the efficiency utility established under 30 V.S.A. § 209.
17 All participants in the ~~home heating fuel assistance program~~ Home Heating
18 Fuel Assistance Program shall be deemed to comply with any income
19 requirements of the ~~home weatherization program~~ Home Weatherization
20 Program, but to receive weatherization services, recipients shall be required to
21 meet any other eligibility requirements of the ~~weatherization program~~ Home

1 Weatherization Program. As a condition of receipt of benefits under the ~~home~~
2 ~~heating fuel assistance program~~ Home Heating Fuel Assistance Program, a
3 recipient shall consent to receive services of the ~~home weatherization~~
4 ~~assistance program~~ Home Weatherization Assistance Program. The Home
5 Weatherization Assistance Program shall use the information required by
6 subsection 2602(d) of this chapter to determine the number of British thermal
7 units (Btus) needed to heat a square foot of space for each participant in the
8 Home Energy Assistance Program. The ~~home weatherization assistance~~
9 ~~program~~ Home Weatherization Assistance Program shall give priority to
10 providing services to participants ~~with high energy consumption~~ who require
11 the most Btus to heat a square foot of space.

12 * * * Workforce Development * * *

13 Sec. 21. WORKFORCE DEVELOPMENT WORKING GROUP; REPORT

14 (a) The Commissioner of Public Service (the Commissioner) shall convene
15 the Thermal Energy Workforce Development Working Group (the Working
16 Group). The Commissioner or designee shall chair the Working Group.

17 (b) The Working Group shall include representatives of the Building
18 Performance Professionals Association, the City of Burlington Electric
19 Department, Efficiency Vermont, the Office of Economic Opportunity,
20 Renewable Energy Vermont, the Vermont Fuel Dealers Association, Vermont

1 Gas Systems, the Vermont State Colleges, and such other organizations as the
2 Commissioner considers relevant.

3 (c) The Working Group shall consider options and methods to expand the
4 capability and capacity of the workforce needed to meet the building efficiency
5 goals of 10 V.S.A. § 581, including:

6 (1) the development of a database and portal of required skills and
7 available by training, by industry;

8 (2) ensuring that key training and certification programs are available in
9 Vermont;

10 (3) the creation and delivery of a cross-market training program in
11 energy efficiency business development;

12 (4) ensuring that energy efficiency service providers receive relevant
13 training with respect to the health and safety of building occupants; and

14 (5) such other matters as the Commissioner considers relevant.

15 (d) On or before December 15, 2013, the Working Group shall submit a
16 report to the General Assembly. The report shall:

17 (1) identify the members of the Working Group;

18 (2) detail the Working Group's consideration of the topics listed in
19 subsection (c) of this section;

20 (3) provide the Working Group's recommendations on those topics and
21 the reasons for the recommendations;

1 (4) classify each recommendation according to whether it requires
2 legislative action, authorization by administrative rule or order, or may be
3 accomplished within existing laws, rules, and orders; and

4 (5) provide the Working Group’s proposed legislation for each
5 recommendation that requires legislative action.

6 * * * Effective Dates * * *

7 Sec. 22. EFFECTIVE DATES

8 (a) The following shall take effect on passage: this section and Secs. 1
9 (jurisdiction; general scope), 2 (appointed entity; initial three-year plan);
10 10 (building energy disclosure); and 11 (initial adoption; report) of this act.

11 (b) Secs. 8 (property transfer return) and 18 (fuel gross receipts tax) of this
12 act shall take effect on January 1, 2014.

13 (c) The remaining sections of this act shall take effect on July 1, 2013.