

1 H.520

2 Introduced by Committee on Natural Resources and Energy

3 Date:

4 Subject: Energy; public service; efficient use of heating and other fuels;
5 weatherization; climate change; greenhouse gases

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

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

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

12 * * * Findings * * *

13 Sec. 1. FINDINGS

14 The General Assembly finds that:

15 (1) Vermont has begun to experience the damaging effects of climate
16 change, with significant costs from recent storms and future damage likely to
17 be severe as climate change accelerates.

18 (A) Average annual precipitation in Vermont since 1960 has
19 increased by 15–20 percent. Heavy downpours have increased in frequency
20 and intensity in the northeastern United States, with a 67 percent increase in

1 the amount falling during the heaviest precipitation events, defined as the
2 heaviest one percent of daily precipitation events.

3 (B) In 2011 alone, Vermont saw significant weather extremes,
4 including, in March, the largest ever recorded one-day snow event; the most
5 precipitation on record for the month of April; disastrous lake flooding in April
6 and May; also in May, severe flash flooding in Franklin and Windham counties
7 and in central Vermont and the Northeast Kingdom; and in August, the disaster
8 of Tropical Storm Irene;

9 (2) The primary driver of climate change in Vermont and elsewhere is
10 the increase of atmospheric carbon dioxide (CO₂) from the burning of fossil
11 fuels. The warming caused by carbon dioxide is amplified multiple times
12 because atmospheric water vapor, another greenhouse gas, increases as
13 temperature increases.

14 (3) The primary sources of Vermont's greenhouse gas emissions are the
15 consumption of fossil fuels for transportation fuels and for heating buildings
16 and water (thermal energy). In 2010, CO₂ and equivalent emissions from
17 Vermont energy consumption totaled approximately eight million metric tons
18 (MMTCO₂). Of this total, transportation fuel use accounted for approximately
19 3.5 and nonelectric fuel use by homes and businesses for approximately 2.5.

20 (4) Another result of high fossil fuel consumption is that the average
21 Vermonters and the Vermont economy are facing a fuel affordability challenge

1 of historic proportions. In 2010, Vermonters paid over \$600 million to import
2 fossil fuels for use in their homes, businesses, and other buildings, almost \$300
3 million more than Vermont paid in 2000.

4 (5) In January 2013, the Department of Public Service submitted the
5 report of its Thermal Energy Task Force (the Task Force). Among other
6 things, the Task Force found that: “Investing in thermal efficiency
7 improvements . . . can dramatically reduce heating energy use in a building.
8 At current fuel prices, thermal efficiency improvements can bring savings of
9 approximately \$1,000.00 per year over the lifetime of the investment. . . . As
10 each year passes and investments are not made, cost burdens must be borne by
11 individual Vermonters, businesses and property owners – collectively
12 burdening the Vermont economy as a whole.”

13 (6) This burden is felt most by Vermonters of limited means or on fixed
14 incomes, such as persons who may be elderly or have disabilities. These
15 Vermonters face the dilemma of being unable to pay for heat as fuel prices rise
16 and federal fuel assistance is reduced. Since 2009, the percentage of an
17 average recipient household’s heating costs paid by Vermont’s fuel assistance
18 program has dropped precipitously, primarily because of cuts to the federal
19 Low Income Home Energy Assistance Program (LIHEAP) totaling
20 approximately 40 percent. Benefits have been cut almost in half from a
21 seasonal high of over \$1,700.00 to \$900.00, and the percentage paid of the

1 average recipient household's bill has dropped from 86 percent to 32 percent.
2 While the State of Vermont has attempted to soften the blow to date, the
3 State's ability to continue to provide fuel assistance funding is limited, and
4 additional LIHEAP cuts may result from the so-called federal "sequester."

5 (7) Many Vermonters who receive financial assistance from the state
6 and federal governments to meet their heating needs live in poorly insulated
7 buildings. The level of expenditure necessary to heat these homes could be
8 significantly decreased if appropriate and cost-effective thermal energy
9 efficiency measures applied. Reducing fuel consumption through
10 weatherization services would decrease the need for supplemental assistance in
11 individual units and allow limited funds to cover a greater number of needy
12 residents. Conversely, as the Task Force found: "Delaying weatherization for
13 this population places more pressure on other public resources such as the
14 Low-Income Heating Assistance Program (LIHEAP)."

15 (8) The Task Force found that substantial public investment would be
16 necessary to meet the State's statutory goals for improving the energy fitness
17 of its homes and buildings. At this investment level, the Task Force found
18 that, over the life of the energy efficiency measures, over \$1.4 billion would be
19 saved, approximately 800 job-years would be created, and 6.8 million tons of
20 CO₂ would be kept from entering the atmosphere.

1 companies after such notice and hearings as the ~~board~~ Board may require by
2 order or by rule. The ~~public service department~~ Department of Public Service
3 shall investigate the feasibility of enhancing and expanding the efficiency
4 programs of gas utilities and shall make any appropriate proposals to the ~~board~~
5 Board.

6 (2) Appointment of independent efficiency entities.

7 (A) Electricity and natural gas. In place of utility-specific programs
8 developed pursuant to this section and section 218c of this title, the ~~board~~
9 Board shall, after notice and opportunity for hearing, provide for the
10 development, implementation, and monitoring of gas and electric energy
11 efficiency and conservation programs and measures, including programs and
12 measures delivered in multiple service territories, by one or more entities
13 appointed by the ~~board~~ Board for these purposes. The ~~board~~ Board may
14 include appropriate combined heat and power systems that result in the
15 conservation and efficient use of energy and meet the applicable ~~agency of~~
16 ~~natural resources~~² air quality standards of the Agency of Natural Resources.
17 Except with regard to a transmission company, the ~~board~~ Board may specify
18 that the appointment of an energy efficiency utility to deliver services within
19 an electric utility's service territory satisfies that electric utility's
20 corresponding obligations, in whole or in part, under section 218c of this title
21 and under any prior orders of the ~~board~~ Board.

1 (B) Thermal energy and process-fuel customers. The Board shall
2 provide for the coordinated development, implementation, and monitoring of
3 cost-effective efficiency and conservation programs to thermal energy and
4 process-fuel customers on a whole buildings basis by one or more entities
5 appointed by the Board for this purpose.

6 (i) In this section, “thermal energy” means the use of fuels to
7 control the temperature of space within buildings and to heat water.

8 (ii) Periodically on a schedule directed by the Board, the
9 appointed entity or entities shall propose to the Board a plan to implement this
10 subdivision (d)(2)(B). The proposed plan shall comply with subsections
11 (e)–(g) of this section and shall be subject to the Board’s approval. The Board
12 shall not conduct the review of the proposed plan as a contested case under
13 3 V.S.A. chapter 25 but shall provide notice and an opportunity for written and
14 oral comments to the public and affected parties and state agencies.

15 (3) Energy efficiency charge; regulated fuels. In addition to its existing
16 authority, the ~~board~~ Board may establish by order or rule a volumetric charge
17 to customers for the support of energy efficiency programs that meet the
18 requirements of section 218c of this title. The charge shall be known as the
19 energy efficiency charge, shall be shown separately on each customer’s bill,
20 and shall be paid to a fund administrator appointed by the ~~board~~ Board and
21 deposited into an ~~electric efficiency fund~~ Electric Efficiency Fund. When such

1 a charge is shown, notice as to how to obtain information about energy
2 efficiency programs approved under this section shall be provided in a manner
3 directed by the ~~board~~ Board. This notice shall include, at a minimum, a ~~toll~~
4 ~~free~~ toll-free telephone number, and to the extent feasible shall be on the
5 customer's bill and near the energy efficiency charge.

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

14 (4)(B) The charge established by the ~~board~~ Board pursuant to this
15 subdivision (3) ~~of this subsection~~ shall be in an amount determined by the
16 ~~board~~ Board by rule or order that is consistent with the principles of least cost
17 integrated planning as defined in section 218c of this title. As circumstances
18 and programs evolve, the amount of the charge shall be reviewed for
19 unrealized energy efficiency potential and shall be adjusted as necessary in
20 order to realize all reasonably available, cost-effective energy efficiency
21 savings. In setting the amount of the charge and its allocation, the ~~board~~ Board

1 shall determine an appropriate balance among the following objectives;
2 provided, however, that particular emphasis shall be accorded to the first four
3 of these objectives: reducing the size of future power purchases; reducing the
4 generation of greenhouse gases; limiting the need to upgrade the ~~state's~~ State's
5 transmission and distribution infrastructure; minimizing the costs of electricity;
6 providing efficiency and conservation as a part of a comprehensive resource
7 supply strategy; providing the opportunity for all Vermonters to participate in
8 efficiency and conservation programs; and the value of targeting efficiency and
9 conservation efforts to locations, markets, or customers where they may
10 provide the greatest value. ~~No later than December 31, 2009, the board~~ The
11 Board, by rule or order, shall establish a process by which a customer who
12 pays an average annual energy efficiency charge under subdivision (3) ~~of this~~
13 ~~subsection~~ of at least \$5,000.00 may apply to the ~~board~~ Board to
14 self-administer energy efficiency through the use of an energy savings account
15 which shall contain a percentage of the customer's energy efficiency charge
16 payments as determined by the ~~board~~ Board. The remaining portion of the
17 charge shall be used for systemwide energy benefits. The ~~board~~ Board in its
18 rules or order shall establish criteria for approval of these applications.

19 ~~(5)(4)~~ Contract or order of appointment. Appointment of an entity
20 under subdivision (2) of this subsection may be by contract or by an order of
21 appointment. An appointment, whether by order of appointment or by

1 contract, may only be issued after notice and opportunity for hearing. An order
2 of appointment shall be for a limited duration not to exceed 12 years, although
3 an entity may be reappointed by order or contract. An order of appointment
4 may include any conditions and requirements that the ~~board~~ Board deems
5 appropriate to promote the public good. For good cause, after notice and
6 opportunity for hearing, the ~~board~~ Board may amend or revoke an order of
7 appointment.

8 ~~(6)~~(5) Appointed entity; supervision. Any entity appointed by order of
9 appointment under subdivisions (2) and ~~(5)~~(4) of this subsection that is not an
10 electric or gas utility already regulated under this title shall not be considered
11 to be a company as defined under section 201 of this title, but shall be subject
12 to the provisions of sections 18–21, 30–32, 205–208, subsection 209(a),
13 sections 219, 221, and subsection 231(b) of this title, to the same extent as a
14 company as defined under section 201 of this title. The ~~board~~ Board and the
15 ~~department of public service~~ Department of Public Service shall have
16 jurisdiction under those sections over the entity, its directors, receivers,
17 trustees, lessees, or other persons or companies owning or operating the entity
18 and of all plants, equipment, and property of that entity used in or about the
19 business carried on by it in this ~~state~~ State as covered and included in this
20 section. This jurisdiction shall be exercised by the ~~board~~ Board and the
21 ~~department~~ Department so far as may be necessary to enable them to perform

1 the duties and exercise the powers conferred upon them by law. The ~~board~~
2 Board and the ~~department~~ Department each may, when they deem the public
3 good requires, examine the plants, equipment, and property of any entity
4 appointed by order of appointment under subdivisions (2) and ~~(5)~~(4) of this
5 subsection.

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

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

10 ~~(7)(A)~~ (A) Net revenues above costs associated with payments from the
11 New England Independent System Operator (ISO-NE) for capacity savings
12 resulting from the activities of the energy efficiency utility designated under
13 subdivision ~~(2)~~(A) of this subsection that are not transferred to the state PACE
14 reserve fund under 24 V.S.A. § 3270(c). These revenues shall be deposited
15 into the ~~electric efficiency fund~~ Electric Efficiency Fund established by this
16 section. Any such net revenues shall be used by the entity appointed under
17 subdivision (2) of this subsection to deliver heating and process fuel energy
18 efficiency services to Vermont consumers of such fuel on a whole buildings
19 basis to help meet the state's building efficiency goals established by
20 40 V.S.A. § 581. In delivering such services with respect to heating systems
21 using the revenues subject to this subdivision (A), the entity shall give priority

1 to incentives for the installation of high efficiency biomass heating systems
2 and shall have a goal of offering an incentive that is equal to 25 percent of the
3 installed cost of such a system. ~~For the purpose of~~ In this subdivision ~~(7)(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 ~~(7)(A)~~ for a ~~woody~~ biomass heating system
7 shall not be contingent on the making of other energy efficiency improvements
8 at the property on which the system will be installed.

9 ~~(8)(B) Effective January 1, 2010, such net~~ Net revenues above costs
10 from the sale of carbon credits under the cap and trade program ~~as provided for~~
11 ~~in~~ established under section 255 of this title, which shall be deposited into the
12 ~~electric efficiency fund~~ Electric Efficiency Fund established by this section.
13 ~~Such revenues shall be used by the entity appointed under subdivision (2) of~~
14 ~~this subsection to support delivery of the services described in subdivision (7)~~
15 ~~of this subsection.~~

16 (C) Any other monies that are appropriated to or deposited in the
17 Electric Efficiency Fund for the delivery of thermal energy and process fuel
18 energy efficiency services.

19 (2) If a program combines regulated fuel efficiency services with
20 unregulated fuel efficiency services supported by funds under this section, the
21 Board shall allocate the costs of the program among the funding sources for the

1 regulated and unregulated fuel sectors in proportion to the benefits provided to
2 each sector.

3 (3) In this subsection:

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

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

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

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

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

18 (2) Require that continued or improved efficiencies be made in the
19 production, delivery, and use of energy efficiency services, including the use
20 of compensation mechanisms for any energy efficiency entity appointed under
21 subdivision (d)(2) of this section that are based upon verified savings in energy

1 usage and demand, and other performance targets specified by the ~~board~~
2 Board. The linkage between compensation and verified savings in energy
3 usage and demand (and other performance targets) shall be reviewed and
4 adjusted not less than triennially by the ~~board~~. Board;

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

7 (4) Promote program initiatives and market strategies that address the
8 needs of persons or businesses facing the most significant barriers to
9 participation, including those who do not own their place of residence;

10 (5) Promote and ensure coordinated program delivery, including
11 coordination with low income weatherization programs, entities that fund and
12 support affordable housing, regional and local efficiency entities within the
13 State, other efficiency programs, and utility programs;

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

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

1 (8) Approve programs, measures, and delivery mechanisms that
2 reasonably reflect current and projected market conditions, technological
3 options, and environmental benefits-;

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

7 (10) Provide for the independent evaluation of programs delivered under
8 subsection (d) of this section-;

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

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

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

1 (14) Consider the impact on retail electric rates and bills of programs
2 delivered under subsection (d) of this section and the impact on fuel prices and
3 bills;

4 (15) Ensure that the energy efficiency programs implemented under this
5 section are designed to make continuous and proportional progress toward
6 attaining the overall ~~state~~ State building efficiency goals established by
7 10 V.S.A. § 581, by promoting all forms of energy end-use efficiency and
8 comprehensive sustainable building design. ~~The funds made available under~~
9 ~~subdivision (d)(7) of this section may be used by an efficiency entity appointed~~
10 ~~under subdivision (2) of this section to deliver fossil fuel energy efficiency~~
11 ~~services to Vermont heating and process fuel consumers on a whole building~~
12 ~~basis.~~

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

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

20 (2) require the establishment of a statewide information clearinghouse to
21 enable effective access for customers to and effective coordination across

1 programs. The clearinghouse shall serve as a portal for customers to access
2 thermal energy and process fuel efficiency services and for coordination
3 among state, regional, and local entities involved in the planning or delivery of
4 such services, making referrals as appropriate;

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

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

11 * * *

12 ~~(h)~~(j) Self-managed energy efficiency programs.

13 (1) There shall be a class of self-managed energy efficiency programs
14 for transmission and industrial electric ratepayers only.

15 (2) The board, by order, shall enact this class of programs.

16 (3) Entities approved to participate in the self-managed energy
17 efficiency program class shall be exempt from all statewide charges under
18 subdivision (d)(3) of this section that support energy efficiency programs
19 performed by or on behalf of Vermont electric utilities. If an electric ratepayer
20 approved to participate in this program class also is a customer of a natural gas
21 utility, the ratepayer shall be exempt from all charges under subdivision (d)(3)

1 of this section or contained within the rates charged by the natural gas utility to
2 the ratepayer that support energy efficiency programs performed by or on
3 behalf of that utility, provided that the ratepayer complies with this subsection.

4 (4) All of the following shall apply to a class of programs under this
5 subsection:

6 (A) A member of the transmission or industrial electric rate classes
7 shall be eligible to apply to participate in the self-managed energy efficiency
8 program class if the charges to the applicant under subdivision (d)(3) of this
9 section were a minimum of \$1.5 million during calendar year 2008.

10 (B) A cost-based fee to be determined by the board shall be charged
11 to the applicant to cover the administrative costs, including savings
12 verification, incurred by the board and department. The board shall determine
13 procedures for savings verification. Such procedures shall be consistent with
14 savings verification procedures established for entities appointed under
15 subdivision (d)(2) of this section.

16 (C) An applicant shall demonstrate to the board that it has a
17 comprehensive energy management program with annual objectives.
18 Achievement of certification of ISO standard 14001 shall be eligible to satisfy
19 the requirements of having a comprehensive program.

20 (D) An applicant shall commit to an annual average energy efficiency
21 investment during each three-year period that the applicant participates in the

1 program of no less than \$1 million. To achieve the exemption from energy
2 efficiency charges related to natural gas under subdivision (3) of this
3 subsection (j), the applicant shall make an additional annual energy efficiency
4 investment in an amount not less than \$55,000.00.

5 (E) Participation in the self-managed program includes efficiency
6 programs and measures applicable to electric and other forms of energy. A
7 participant may balance efficiency investments across all types of energy or
8 fuels without limitations.

9 * * *

10 (I) On a determination that, for a given three-year period, a
11 participant in the self-managed efficiency program class did not meet or has
12 not met the commitment required by subdivision (4)(D) of this subsection, the
13 ~~board~~ Board shall terminate the participant's eligibility for the self-managed
14 program class ~~and the~~.

15 (i) On such termination, the former participant will be subject
16 fully to the then existing charges under subdivision (d)(3) of this section
17 applicable to its rate class without exemption under subdivision (3) of this
18 subsection, and within 90 days of such termination shall pay to the electric
19 efficiency fund described in subdivision (d)(3) of this section;

20 (I) the difference between the investment it made ~~while in~~
21 pursuant to the self-managed energy efficiency program during the three-year

1 period of noncompliance and the full amount of the charges and rates related to
2 energy efficiency it would have incurred under subdivision (d)(3) of this
3 section had the entity not been part of that program during that period absent
4 exemption under subdivision (3) of this subsection; and

5 (II) the difference between the investment it made pursuant to
6 the program within the current three-year period, if different from the period of
7 noncompliance, and the full amount of the charges and rates related to energy
8 efficiency it would have incurred during the current period absent exemption
9 under subdivision (3) of this subsection.

10 (ii) Payments under subdivision (4)(i) of this subsection (j) shall
11 be made to the entities to which the full amount of charges and rates would
12 have been paid absent exemption under subdivision (3) of this subsection.

13 (iii) An entity A former participant may not reapply for
14 membership in the self-managed program after such termination under this
15 subdivision (4)(I).

16 * * *

17 (N) If, at the end of every third year after an applicant's approval
18 to participate in the self-managed efficiency program (the three-year period),
19 the applicant has not met the commitment required by subdivision (4)(D) of
20 this subsection, the applicant shall pay to the electric efficiency fund described
21 in subdivision (d)(3) of this section the difference between the investment the

1 applicant made while in the self-managed energy efficiency program and the
2 full amount of charges and rates that the applicant would have incurred under
3 subdivision (d)(3) of this section during the three-year period had the applicant
4 not been a participant in the program absent the exemption under subdivision
5 (3) of this subsection. This payment shall be made no later than 90 days after
6 the end of the three-year period to the entities to which the full amount of those
7 charges and rates would have been paid absent the exemption.

8 Sec. 3. APPOINTED ENTITIES; INITIAL PLAN; STATUTORY

9 REVISION

10 (a) The entities appointed by the Public Service Board (the Board) to
11 deliver energy efficiency services under 30 V.S.A. § 209(d)(2) as of January 1,
12 2013 shall be deemed entities appointed under 30 V.S.A. § 209(d)(2)(B) as
13 amended by Sec. 2 of this act, provided that their delivery of energy efficiency
14 services pursuant to subdivision 209(d)(2)(B) complies with the provisions of
15 this act.

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

18 (2) This subsection (a) does not confer any right to an appointed entity:

19 (A) to be selected to deliver energy efficiency services under
20 30 V.S.A. § 209(e)(1) as amended by Sec. 2 of this act; or

1 (B) to continue to be appointed under 30 V.S.A. § 209(d)(2)(B)
2 beyond the period of any existing contract or order of appointment.

3 (b) On or before September 1, 2013, the entities appointed under 30 V.S.A.
4 § 209(d)(2)(B) as amended by Sec. 2 of this act shall propose an initial annual
5 plan under that subdivision 209(d)(2)(B). The initial plan may be proposed as
6 a revision to an existing plan previously approved by the Board. On or before
7 December 15, 2013, the Board shall complete its review and issue its decision
8 on this initial annual plan. This initial plan and the review of this plan shall
9 include consideration of the recommendations of the Thermal Efficiency Task
10 Force: A Report to the General Assembly; Meeting the Thermal Efficiency
11 Goals for Vermont Buildings (January 2013).

12 (c) On or December 15, 2013, the Board shall establish the interim goals
13 and periodic monitoring required by Sec. 2 of this act, 30 V.S.A. § 209(g)(3)
14 and (4).

15 (d) During statutory revision, the Office of Legislative Council shall make
16 the following technical corrections to 30 V.S.A. § 209 resulting from Sec. 2 of
17 this act:

18 (1) Reletter 30 V.S.A. § 209(f) and (g) to be 30 V.S.A. § 209(h) and (i).

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

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

2 § 255. REGIONAL COORDINATION TO REDUCE GREENHOUSE
3 GASES

4 * * *

5 (c) Allocation of tradable carbon credits.

6 (1) The ~~secretary of natural resources~~ Secretary of Natural Resources,
7 by rule, shall establish a set of annual carbon budgets for emissions associated
8 with the electric power sector in Vermont that are consistent with the 2005
9 RGGI MOU, including any amendments to that MOU and any reduced carbon
10 cap resulting from a subsequent program review by RGGI, and that are on a
11 reciprocal basis with the other states participating in the RGGI process.

12 * * *

13 (d) Appointment of consumer trustees. The ~~public service board~~ Public
14 Service Board, by rule, order, or competitive solicitation, may appoint one or
15 more consumer trustees to receive, hold, bank, and sell tradable carbon credits
16 created under this program. Trustees may include Vermont electric
17 distribution utilities, the fiscal agent collecting and disbursing funds to support
18 the statewide efficiency utility, or a financial institution or other entity with the
19 expertise and financial resources to manage a portfolio of carbon credits for the
20 long-term benefit of Vermont energy consumers. ~~Fifty percent of the net~~
21 ~~proceeds above costs from the sale of carbon credits shall be deposited into the~~

1 ~~fuel efficiency fund established under section 203a of this title. These funds~~
2 ~~shall be used to provide expanded fossil fuel energy efficiency services to~~
3 ~~residential consumers who have incomes up to and including 80 percent of the~~
4 ~~median income in the state. The remaining 50 percent of the~~ The net proceeds
5 ~~above costs from the sale of carbon credits shall be deposited into the electric~~
6 ~~efficiency fund~~ Electric Efficiency Fund established under subdivision
7 209(d)(3) of this title. These funds shall be used by the entity or entities
8 appointed under subdivision 209(d)(2)(B) of this title to help meet the building
9 efficiency goals established under 10 V.S.A. § 581 by delivering heating and
10 process-fuel energy efficiency services to Vermont consumers who use such
11 fuel ~~and are businesses or are residential consumers whose incomes exceed 80~~
12 ~~percent of the median income in the state.~~

13 * * *

14 * * * Building Energy Standards * * *

15 Sec. 5. 20 V.S.A. § 2731(l) is added to read:

16 (l) Provision of a certificate as required by 21 V.S.A. § 266 (residential
17 building energy standards) or 268 (commercial building energy standards)
18 shall be a condition precedent to the issuance of a certificate of use or
19 occupancy for a public building under the rules adopted pursuant to this
20 section.

1 Sec. 6. 21 V.S.A. § 266 is amended to read:

2 § 266. RESIDENTIAL BUILDING ENERGY STANDARDS

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

5 * * *

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

8 (A) With respect to a structure that is three stories or less in height
9 and is a mixed-use building that shares residential and commercial users, the
10 term “residential building” shall include the living spaces in the structure and
11 the nonliving spaces in the structure that serve only the residential users such
12 as common hallways, laundry facilities, residential management offices,
13 community rooms, storage rooms, and foyers.

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

15 * * *

16 ~~(d) Role of RBES in Act 250. Substantial and reliable evidence of~~
17 ~~compliance with RBES established and updated as required under this section~~
18 ~~shall serve as a presumption of compliance with 10 V.S.A. § 6086(a)(9)(F),~~
19 ~~except no presumption shall be created insofar as compliance with subdivision~~
20 ~~(a)(9)(F) involves the role of electric resistance space heating. In attempting to~~
21 ~~rebut a presumption of compliance created under this subsection, a challenge~~

1 ~~may only focus on the question of whether or not there will be compliance~~
2 ~~with the RBES established and updated as required under this subsection. A~~
3 ~~presumption under this subsection may not be overcome by evidence that the~~
4 ~~RBES adopted and updated as required under this section fail to comply with~~
5 ~~10 V.S.A. § 6086(a)(9)(F). [Repealed.]~~

6 (e) Certification.

7 (1) Issuance; recording. A certification may be issued by a builder, a
8 licensed professional engineer, a licensed architect or an accredited home
9 energy rating organization. If certification is not issued by a licensed
10 professional engineer, a licensed architect or an accredited home energy rating
11 organization, it shall be issued by the builder. Any certification shall certify
12 that residential construction meets the RBES. The ~~department of public~~
13 ~~service~~ Department of Public Service will develop and make available to the
14 public a certificate that lists key features of the RBES. Any person certifying
15 shall use this certificate or one substantially like it to certify compliance with
16 RBES. Certification shall be issued by completing and signing a certificate
17 and permanently affixing it to the outside of the heating or cooling equipment,
18 to the electrical service panel located inside the building, or in a visible
19 location in the vicinity of one of these three areas. The certificate shall certify
20 that the residential building has been constructed in compliance with the
21 requirements of the RBES. The person certifying under this subsection shall

1 provide a copy of each certificate to the ~~department of public service~~
2 Department of Public Service and shall assure that a certificate is recorded and
3 indexed in the town land records. A builder may contract with a licensed
4 professional engineer, a licensed architect or an accredited home energy rating
5 organization to issue certification and to indemnify the builder from any
6 liability to the owner of the residential construction caused by noncompliance
7 with the RBES.

8 (2) Condition precedent. Provision of a certificate as required by
9 subdivision (1) of this subsection shall be a condition precedent to:

10 (A) issuance by the Commissioner of Public Safety or a municipal
11 official acting under 20 V.S.A. § 2736 of any final occupancy permit required
12 by the rules of the Commissioner of Public Safety for use or occupancy of
13 residential construction commencing on or after July 1, 2013 that is also a
14 public building as defined in 20 V.S.A. § 2730(a); and

15 (B) issuance by a municipality of a certificate of occupancy for
16 residential construction commencing on or after July 1, 2013, if the
17 municipality requires such a certificate under 24 V.S.A. chapter 117.

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

2 § 268. COMMERCIAL BUILDING ENERGY STANDARDS

3 (a) Definitions. ~~For purposes of~~ In this subchapter, “commercial buildings”
4 means all buildings that are not residential buildings as defined in subdivision
5 266(a)(2) of this title or farm structures as defined in 24 V.S.A. § 4413.

6 * * *

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

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

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

15 * * *

16 (d) Certification requirement

17 * * *

18 (4) ~~A Provision of a certificate issued pursuant to~~ as required by
19 subdivision (1) of this subsection and of a certificate issued pursuant to
20 required by subdivision (2) of this subsection shall be conditions precedent to:

1 (A) issuance by the ~~commissioner of public safety~~ Commissioner of
2 Public Safety (or a municipal official acting under 20 V.S.A. § 2736) of any
3 final occupancy permit required by the rules of the ~~commissioner of public~~
4 ~~safety~~ Commissioner of Public Safety for use or occupancy of a commercial
5 building that is also a public building as defined in 20 V.S.A. § 2730(a); and

6 (B) issuance by a municipality of a certificate of occupancy for
7 residential construction commencing on or after July 1, 2013, if the
8 municipality requires such a certificate under 24 V.S.A. chapter 117.

9 Sec. 8. 21 V.S.A. § 269 is amended to read:

10 § 269. COMPLIANCE PLAN

11 The ~~commissioner of public service~~ shall perform all of the following
12 Commissioner of Public Service:

13 (1) ~~No later than September 1, 2011, shall~~ Shall issue a plan for
14 achieving compliance with the energy standards adopted under this subchapter
15 no later than February 1, 2017 in at least 90 percent of new and renovated
16 residential and commercial building space. In preparing this plan, the
17 department shall review enforcement mechanisms for building energy codes
18 that have been adopted in other jurisdictions and shall solicit the comments and
19 recommendations of one or more mortgage lenders; builders; building
20 designers; architects; civil, mechanical, and electrical engineers; utility
21 representatives; environmental organizations; consumer advocates; energy

1 efficiency experts; the attorney general; and other persons who are potentially
2 affected or have relevant expertise.

3 (2) ~~No later than June 30, 2012, by means of administrative rules~~
4 ~~adopted in accordance with 3 V.S.A. chapter 25~~ May:

5 (A) Establish active training and enforcement programs to meet the
6 energy standards adopted under this subchapter.

7 (B) Establish a system for measuring the rate of compliance each
8 year with the energy standards adopted under this chapter. ~~Following~~
9 ~~establishment of this~~ If such a system is established, the commissioner
10 Commissioner also shall provide for such annual measurement.

11 (C) Adopt administrative rules pursuant to 3 V.S.A. chapter 25 to
12 implement this subdivision (2). To the extent the implementation of this
13 subdivision (2) places obligations on persons outside the Department of Public
14 Service, such obligations shall be by means of administrative rules.

15 Sec. 9. 24 V.S.A. § 4449 is amended to read:

16 § 4449. ZONING PERMIT, CERTIFICATE OF OCCUPANCY, AND
17 MUNICIPAL LAND USE PERMIT

18 (a) Within any municipality in which any bylaws have been adopted:

19 (1) No land development may be commenced within the area affected
20 by the bylaws without a permit issued by the administrative officer. No permit
21 may be issued by the administrative officer except in conformance with the

1 the planning and design of the subdivision or development reflect the
2 principles of energy conservation ~~and~~, including reduction of greenhouse gas
3 emissions from the use of energy; incorporate the best available technology for
4 efficient use or recovery of energy; and comply with the applicable building
5 energy standards under 21 V.S.A. § 266 or 268. The district commission may
6 direct the use or installation of measures that result in greater energy efficiency
7 than the measures required by the building energy standards if it determines
8 such use or installation to be necessary or appropriate to reflect the principles
9 of energy conservation or to incorporate the best available technology for
10 efficient use or recovery of energy.

11 Sec. 11. RECODIFICATION; DESIGNATION

12 (a) 21 V.S.A. §§ 266, 267, 268, 269, and 270 are recodified respectively as
13 30 V.S.A. §§ 51, 52, 53, 54, and 55. During statutory revision, the Office of
14 Legislative Council shall revise accordingly any references to these statutes
15 contained in the Vermont Statutes Annotated. Any references in session law
16 and adopted rules to these statutes as previously codified shall be deemed to
17 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 30 V.S.A. chapter 2, subchapter 2 is designated to read:

7 Subchapter 2. [Reserved.]

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

10 * * * Voluntary Building Energy Disclosure * * *

11 Sec. 12. DISCLOSURE TOOL WORKING GROUP; REPORTS

12 (a) The Department of Public Service shall convene a working group to
13 develop a consistent format and presentation for an energy rating that an owner
14 of a building may use to disclose the energy performance of the building or a
15 unit within the building to another person, including a potential purchaser or
16 occupant, or that a prospective purchaser or occupant of a building or unit
17 within a building may use to compare the energy performance of multiple
18 buildings or units. The Working Group shall develop or select one or more
19 tools that can be used to generate the energy rating.

20 (b) The Working Group under this section shall include representatives of
21 each entity appointed under 30 V.S.A § 209(d)(2), the Home Weatherization

1 Assistance Program under 33 V.S.A. § 2502, and such other entities as the
2 Commissioner of Public Service may determine are appropriate.

3 (c) The Working Group under this section shall consider the
4 recommendations in the report to the General Assembly of the Building
5 Energy Disclosure Working Group (Dec. 2011).

6 (d) On or before December 15, 2013, the Department of Public Service (the
7 Department) shall report to the General Assembly in writing on the findings of
8 the Working Group.

9 (e) On or before December 15, 2016, the Department shall further report to
10 the General Assembly in writing on the development and use of disclosure
11 tools under this section. This report shall:

12 (1) identify the tools selected or adopted by the Working Group under
13 this subsection;

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

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

18 (4) analyze and recommend whether building energy disclosure
19 requirements should be made mandatory for one or more sectors and whether
20 any such requirement should be met by all subject properties by a date certain
21 or whether it should be triggered by an event such as time of sale or lease; and

1 (5) include the Department's proposed legislation to implement its
2 recommendation under subdivision (4) of this subsection.

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

4 Sec. 13. 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. 14. 30 V.S.A. § 8002(15) is amended to read:

2 (15) "Plant capacity" means the rated electrical nameplate for a plant,
3 except that, in the case of a solar energy plant ~~that executes a standard offer~~
4 ~~contract under this chapter~~, the term shall mean the aggregate AC nameplate
5 capacity of all inverters used to convert the plant's output to AC power.

6 Sec. 15. 30 V.S.A. § 8015 is amended to read:

7 § 8015. VERMONT CLEAN ENERGY DEVELOPMENT FUND

8 (a) Creation of fund.

9 (1) There is established the Vermont ~~clean energy development fund~~
10 Clean Energy Development Fund to consist of each of the following:

11 (A) The proceeds due the ~~state~~ State under the terms of the
12 memorandum of understanding between the ~~department of public service~~
13 Department of Public Service and Entergy Nuclear VY and Entergy Nuclear
14 Operations, Inc. that was entered under ~~public service board~~ Public Service
15 Board docket 6812; together with the proceeds due the ~~state~~ State under the
16 terms of any subsequent memoranda of understanding entered before July 1,
17 2005 between the ~~department of public service~~ Department of Public Service
18 and Entergy Nuclear VY and Entergy Nuclear Operations, Inc.

19 (B) Any other monies that may be appropriated to or deposited into
20 the ~~fund~~ Fund.

21 * * *

1 (d) Expenditures authorized.

2 (1) Projects for funding may include, ~~and in the case of subdivision~~
3 ~~(1)(E)(ii) of this subsection shall include continuous funding for as long as~~
4 ~~funds are available~~, the following:

5 * * *

6 * * * Low-Income Weatherization * * *

7 Sec. 16. 33 V.S.A. § 2502 is amended to read:

8 § 2502. HOME WEATHERIZATION ASSISTANCE PROGRAM

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

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

17 (1) The state program shall provide an enhanced weatherization
18 assistance amount exceeding the federal per unit limit allowing amounts up to
19 an average of ~~\$6,000.00~~ \$8,000.00 per unit allocated on a cost-effective basis.
20 In units where costs exceed the allowable average by more than 25 percent,
21 prior approval of the ~~director~~ Director of the ~~state economic opportunity office~~

1 State Economic Opportunity Office shall be required before work commences.

2 This amount shall be adjusted annually by increasing the last year's amount by
3 the percentage increase in the Consumer Price Index for the previous year.

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

8 (3) The ~~director~~ Director, in collaboration with the weatherization
9 service providers and other stakeholders, shall develop the state program so
10 that it will include:

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

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

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

18 (ii) at least 50 percent of the units are weatherization affordable,
19 and at least one tenant of the building has applied for the ~~weatherization~~
20 ~~program~~ Program and has been determined to be eligible. For purposes of this
21 subdivision, "weatherization affordable" means a unit having a rent that is

1 established at less than 30 percent of the income level established by
2 computing ~~60~~ 80 percent of the area median income level or ~~60~~ 80 percent of
3 the ~~state~~ State median income level, whichever is higher, for the relevant
4 household size. Relevant household size means the number of bedrooms in the
5 unit, plus one.

6 (C) Establishing ~~program~~ Program eligibility levels at ~~60~~ 80 percent
7 of the area median income, or ~~60~~ 80 percent of the ~~state~~ State median income,
8 whichever is higher. Subject to the priority under section 2608 of this title
9 given to participants in the Home Heating Fuel Assistance Program, the state
10 program shall, when weighing factors to assign priority to buildings or units
11 eligible for weatherization assistance, assign the greatest weight to those
12 buildings and units that require the most Btus to heat a square foot of space.

13 * * *

14 (G) With respect to multi-family buildings housing recipients of
15 home heating fuel assistance under chapter 26 of this title, targeted outreach
16 efforts to ensure the highest weatherization participation rates by owners of
17 such buildings.

18 * * *

1 collected pursuant to section 2602(d) of this title shall be used in lieu of the
2 proxy table when available. Such table shall be revised no less frequently than
3 every three years based on data supplied by certified fuel suppliers, the
4 ~~department of public service~~ Department of Public Service, and other industry
5 sources to the office of home heating fuel assistance. The ~~secretary~~ Secretary
6 or designee shall provide a draft of the table to the ~~home energy assistance task~~
7 ~~force~~ Home Energy Assistance Task Force established pursuant to subsection
8 2501a(c) of this title and solicit input from the task force prior to finalizing the
9 table.

10 * * *

11 Sec. 19. 33 V.S.A. § 2605 is amended to read:

12 § 2605. BENEFIT AMOUNTS

13 (a) The ~~secretary of human services~~ Secretary of Human Services or
14 designee shall by rule establish a table that specifies maximum percentages of
15 applicant households' annual heating fuel costs, based on the proxy table
16 established pursuant to subsection 2604(b) of this title and, when available, the
17 data collected pursuant to subsection 2602(d) of this title, that can be
18 authorized for payment as annual home heating fuel assistance benefits for the
19 following year. The maximum percentages contained within this table shall
20 vary by household size and annual household income. In no instance shall the
21 percentage exceed 90 percent.

1 Weatherization Assistance Program shall use the information required by
2 subsection 2602(d) of this chapter to determine the number of British thermal
3 units (Btus) needed to heat a square foot of space for each participant in the
4 Home Energy Assistance Program. ~~The home weatherization assistance~~
5 program The Home Weatherization Assistance Program shall give the highest
6 priority to providing services to participants ~~with high energy consumption~~
7 within the Home Heating Fuel Assistance Program and, among those
8 participants, to those who require the most Btus to heat a square foot of space.

9 Sec. 21. FUEL PURCHASING; HOME HEATING FUEL ASSISTANCE

10 (a) Under 33 V.S.A. chapter 26 (home heating fuel assistance), a system of
11 fuel purchasing shall be developed that ensures that the recipients of such
12 assistance are offered the lowest possible fuel prices.

13 (b) On or before August 1, 2013, the Secretary of Human Services (the
14 Secretary) shall adopt a revised system of fuel purchasing under 33 V.S.A.
15 chapter 26 that meets the standard set forth in subsection (a) of this section.

16 (c) Prior to the Secretary's adoption of a revised system under subsection
17 (b) of this section:

18 (1) The Secretary, in consultation with the Commissioner of Public
19 Service (the Commissioner), shall propose a revised system that meets the
20 standard set forth in subsection (a) of this section.

1 (2) The Secretary and the Commissioner jointly shall conduct a process
2 to obtain public comment on the proposed system. This process shall include
3 one or more public meetings, posting of the proposal on the web pages of the
4 Office of Home Heating Fuel Assistance and of the Department of Public
5 Service, and direct notice of the proposal to and solicitation of comments from
6 affected persons and businesses, including fuel dealers, and low-income
7 advocates. Direct notice of the proposal also shall be provided to the Chairs of
8 the House Committees on Human Services and on Natural Resources and
9 Energy and of the Senate Committees on Health and Welfare and on Natural
10 Resources and Energy.

11 (3) The Secretary and the Commissioner shall provide monthly updates
12 to the Chairs of the standing committees listed in subdivision (2) of this
13 subsection on the progress of developing a revised system of fuel purchasing
14 under this section.

15 (d) When the Secretary adopts a revised system of fuel purchasing under
16 this section, the Secretary shall issue a written decision that:

17 (1) explains how the system meets the standard set forth in subsection
18 (a) of this section;

19 (2) if the adopted system differs from the proposal required under
20 subsection (c) of this section, identifies each such difference and explains the
21 reason for the difference; and

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19

* * *

(d) ~~Rules adopted under the provisions of 10 V.S.A. chapter 23 (air pollution control) shall not include a requirement for delivery or sales of electric vehicles that derive all of their power from batteries. [Repealed.]~~

* * * Renewable Technologies for Heating and Cooling * * *

Sec. 24. STUDY; RENEWABLES; HEATING AND COOLING

(a) The Department of Public Service in collaboration with the Agency of Natural Resources, the Department of Economic, Housing and Community Development, and the Agency of Agriculture, Food and Markets shall conduct and complete a study of the following:

(1) the opportunities for Vermonters to switch to technologies that efficiently use renewable energy as defined by 30 V.S.A. § 8002 for heating and cooling, including biomass, switchgrass pellet, and heat pump technologies, and the costs and benefits of switching to such technologies, including greenhouse gas reductions and job creation benefits;

(2) the factors that may inhibit development of efficient renewable heating and cooling technologies, including upfront capital costs, public knowledge about such technologies, public policies, regulatory standards, and the potential need for coordination among industries;

1 (3) ways to deal with these factors, including implementing policies that
2 have been successful nationally and internationally to encourage heating and
3 cooling technologies that use renewable energy efficiently;

4 (4) the strengths and weaknesses of the Vermont market for businesses
5 that manufacture, sell, install, and service such renewable heating and cooling
6 technologies;

7 (5) the potential for a rebate program to encourage residential
8 bulk-delivery of biomass pellets;

9 (6) on-bill tariffed financing for efficient renewable heating and cooling
10 technologies; and

11 (7) how technologies that efficiently use renewable energy for heating
12 and cooling might be integrated into other statewide energy and efficiency
13 programs.

14 (b) On or before December 15, 2013, the Department of Public Service
15 shall submit its findings and recommendations, including its recommendations
16 for legislative action, in a written report to the House and Senate Committees
17 on Natural Resources and Energy.

18 Sec. 25. PUBLIC SERVICE BOARD; REVIEW OF

19 COST-EFFECTIVENESS SCREENING TOOL

20 On or before February 1, 2014, the Public Service Board shall conduct and
21 complete a review of the costs and benefits of integrating the analysis of

1 renewable energy technologies for heating and cooling into the
2 cost-effectiveness screening tool used by Vermont's energy efficiency utilities
3 to compare the costs and benefits of specific energy efficiency investments
4 pursuant to 30 V.S.A. § 209(d). The Board shall not conduct this review as a
5 contested case under 3 V.S.A. chapter 25 but shall provide notice and an
6 opportunity for written and oral comments to the public and affected parties
7 and state agencies.

8 Sec. 26. 10 V.S.A. § 587 is added to read:

9 § 587. PELLET STOVE EMISSIONS STANDARDS; REBATES

10 With respect to pellet stoves eligible for rebates and incentives funded by
11 the State, the Secretary of Natural Resources shall determine, in consultation
12 with pellet stove manufacturers, whether the standards under the Clean Air
13 Act, 42 U.S.C. § 7401 et seq., are sufficient or whether the State should adopt
14 more stringent standards for those pellet stoves. The Secretary shall make this
15 determination in writing on or before November 1, 2013. If the Secretary
16 determines that more stringent standards are appropriate, then by rule the
17 Secretary shall adopt such standards on or before July 1, 2014.

1 * * * Total Energy and Climate Change Reports * * *

2 Sec. 27. 2012 Acts and Resolves No. 170, Sec. 13 is amended to read:

3 Sec. 13. TOTAL ENERGY; REPORT

4 (a) The ~~general assembly~~ General Assembly finds that, in the
5 comprehensive energy plan issued in December 2011, the ~~department of public~~
6 ~~service~~ Department of Public Service recommends that Vermont achieve, by
7 2050, a goal that 90 percent of the energy consumed in the ~~state~~ State be
8 renewable energy. This goal would apply across all energy sectors in
9 Vermont, including electricity consumption, thermal energy, and transportation
10 (total energy).

11 (b) The ~~commissioner of public service~~ Commissioner of Public Service
12 shall convene an interagency ~~and stakeholder~~ working group to study and
13 report to the ~~general assembly~~ General Assembly on policies and funding
14 mechanisms that would be designed to achieve the goal described in subsection
15 (a) of this section and the goals of 10 V.S.A. § 578(a) (greenhouse gas
16 emissions) in an integrated and comprehensive manner.

17 (1) The study and report shall include consideration of:

18 ~~(A)~~ A total energy standard that would work with and complement
19 the mechanisms enacted in Secs. 3 (SPEED; total renewables targets) and
20 4 (SPEED; standard offer program) of this act.

1 ~~(B) The development of an ongoing science-based education and~~
2 ~~public information campaign for residents of the state at all ages on climate~~
3 ~~change due to anthropogenic global warming, the potential consequences of~~
4 ~~climate change, and the ability to reduce or prevent those consequences by~~
5 ~~replacing greenhouse gas emitting energy sources with energy efficiency and~~
6 ~~renewable energy resources. The study and report shall also consider what~~
7 ~~specific programs and activities such a campaign would undertake.~~

8 (2) The group's report shall include its recommended policy and
9 funding mechanisms, its specific proposals for legislative action, and the
10 reasons for the recommendations. The report shall be submitted to the ~~general~~
11 ~~assembly~~ General Assembly by December 15, 2013.

12 (c) Prior to submitting the report to the ~~general assembly~~ General
13 Assembly, the group shall offer ~~an opportunity~~ multiple opportunities to
14 submit information and comment to affected and interested persons such as
15 chambers of commerce or other groups representing business interests,
16 consumer advocates, energy efficiency entities appointed under Title 30,
17 energy and environmental advocates, fuel dealers, educational institutions,
18 relevant state agencies, transportation-related organizations, and Vermont
19 electric and gas utilities.

1 Sec. 28. CLIMATE CHANGE EDUCATION; REPORT

2 On or before December 15, 2013, the Secretary of Natural Resources (the
3 Secretary) shall submit to the General Assembly a written report on existing
4 resources and programs within the State regarding science-based education
5 curricula or public information campaigns for residents of all ages on climate
6 change due to anthropogenic global warming, the potential consequences of
7 climate change, and the ability to reduce or prevent those consequences by
8 replacing greenhouse-gas-emitting energy sources with energy efficiency and
9 renewable energy resources.

10 (1) When conducting the inventory of existing resources and programs
11 to prepare the report, the Secretary shall consult with the Agency of Education,
12 the Department of Public Service, the Vermont Energy Education Program, the
13 Statewide Energy Education Program, Shelburne Farms, the Vermont Energy
14 and Climate Action Network, and other interested stakeholders.

15 (2) The report may include discussion of resources and programs
16 developed in other states that are relevant to the development of resources or
17 programs in Vermont.

18 (3) The report shall include recommendations regarding a process to
19 develop educational curricula, information campaigns, or other public
20 engagement that would further the achievement of the December 2011
21 Comprehensive Energy Plan's goal that by 2050 90 percent of the energy

1 consumed in the State be renewable energy and the goals of 10 V.S.A. § 578(a)
2 (greenhouse gas emissions). The report shall identify the Secretary's
3 recommended legislative actions to achieve such curricula, campaigns, and
4 other public engagement.

5 * * * Thermal Efficiency Funding and Energy Savings; Report * * *

6 Sec. 29. THERMAL EFFICIENCY FUNDING AND SAVINGS;

7 PUBLIC SERVICE BOARD REPORT

8 (a) On or before December 15, 2013, the Public Service Board shall
9 conduct and complete a public process and submit a report to the House and
10 Senate Committees on Natural Resources and Energy, the House Committee
11 on Commerce and Economic Development, and the Senate Committee on
12 Finance on the feasibility of applying a "system benefits charge" or similar
13 charge to currently unregulated fuels as a stable and adjustable funding source
14 for systematic investments to overcome economic or other barriers to the
15 efficient use of unregulated fuels. In this section:

16 (1) "Regulated fuels" means electricity and natural gas delivered by a
17 regulated utility.

18 (2) "Unregulated fuels" means all fuels used for heating and process fuel
19 customers other than electricity and natural gas delivered by a regulated utility.

20 (b) During the process and in the report required by this section, the Board
21 shall evaluate and make specific recommendations on each of the following:

1 (1) Whether there are barriers or inefficiencies in the markets for
2 unregulated fuels that inhibit the efficient use of such fuels and that would
3 justify implementation of a system benefits charge or similar charge to support
4 delivery of energy efficiency services to those markets. The Board shall
5 identify these barriers or inefficiencies and explain how they may or may not
6 justify implementation of such a charge.

7 (2) If such a charge were imposed, how the charge should be assessed
8 and administered and what legislative action would be necessary to implement
9 the charge.

10 (3) If such a charge were imposed, the manner in which the General
11 Assembly could ensure that funds generated from such a charge are not funds
12 of the State and are exclusively reserved for investment in energy efficiency on
13 behalf of customers.

14 (c) The report shall identify each specific legislative action needed to
15 achieve its recommendations.

16 (d) The Board shall not conduct the public process under this section as a
17 contested case under 3 V.S.A. chapter 25 but shall provide notice and an
18 opportunity for written and oral comments to the public and affected parties
19 and state agencies.

