George Twigg, Dir. of Public Affairs, Efficiency Vermont

Public Service Department alternate language for Section 4 <u>– EVT proposed edits</u> February 419, 2014

(4) "Load-Demand management" means strategies and management practices that promote system optimization and stability on an electric or natural gas delivery system and provide customer and societal benefits. These strategies and practices may include, but are not limited to, reducing the maximum demand and modifying the coincident peak demand of one or more classes of service to meet the system's capability for a given period." directed at reducing the maximum demand on an electric or natural gas delivery system and modifying the coincident peak demand of one or more classes of service to 8 meet the system's capability for a given period.

(Note: tracking with this definition, we would also propose that references throughout the legislation to "load management" be replaced by "demand management.")

ENERGY EFFI CIENCY; FUEL-SWITCHING; LOAD MANAGEMENT; INVESTIGATION

- (a) On or before December 15November 1, 2014, the Public Service Board shall conduct and complete an investigation on of how best to advance the most cost-effective mechanisms by which Vermont ratepayers can advance state energy policy as defined in 30 V.S.A. § 202a through demandlead management and fuel substitutionswitching for heating and transportation.
- (b) The Board need not conduct the investigation as a contested case under 3 V.S.A. chapter 25 but shall provide notice and an opportunity for written and oral comments to the public and affected parties and State agencies.
- (c) The investigation shall consider each of the following and any other issue the Board determines relevant: (1) How best\(\text{Whether implementation of to implement 30 V.S.A. \ 209 as amended by this act consistent with the provisions of VSA, Title 30 \ 202a and VSA Title 10 \ 581, and Vermont's 2011 Comprehensive Energy Plan would be the most cost-effective mechanism to advance state energy policy through load management and fuel switching. If so, the The Board shall identify the next steps for implementation of this amendment. If the Board finds there are barriers to implementation or that an alternative approach to implementing the provisions cited above is preferred, not, the Board shall recommend any alternate statutory changes in 30 V.S.A. \ 209 or elsewhere required to implement state energy policy in the manner determined through this investigation.
- (2) the appropriate roles and responsibilities of electric distribution utilities and energy efficiency utilities in providing load management, through such mechanisms as time-of-use or dynamic rates and active demand response, and in deploying new technologies, such as heat pump technologies, air source heat pumps or electric vehicles, that have the potential to increase the demand for electrical energy while decreasing demand for other fuels used for thermal or transportation energy (new electric thermal and transportation technologies) (3) the benefits and costs, if any, that may accrue to electric ratepayers as a whole and individually from the deployment of new electric thermal and transportation technologies, and the benefits and costs from those technologies that may accrue to the State and to the environment;
- (4) the conditions, if any, under which it is appropriate for customers of a distribution utility to fund switching energy customers from one fuel to another, including particularly the use of the energy efficiency charge <u>or other distribution utility funding or financing</u> to support the deployment of new electric thermal <u>or transportation</u> technologies; and
- (5) the appropriate roles and responsibilities of electric distribution utilities, energy efficiency utilities, the Clean Energy Development Fund, and providers of renewable electric generation in coordinating the delivery of efficiency services and consideration of on-site renewable electric generation.

Sec. 5. EFFECTIVE DATES

- (a) This section and Sec. 4 shall take effect on passage.
- (b) Secs. 1 (definitions), 2 (jurisdiction; general scope) and 3 (least cost integrated planning) shall take effect on <u>JulyJanuary</u> 1, 2015, except that they shall apply to the Public Service Board's investigation under Sec. 4.