

## VEIC Recommendations re: H40 (RESET)

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“Transformation” tier recommendations

Recommendations related to program equity

1. Provide guidance to the PSB that program offerings must be designed to ensure that all ratepayers have an equitable opportunity to participate and benefit, regardless of (1) income level, (2) rate class (residential/commercial/industrial), or (3) utility service territory. To the extent this tier is in effect creating a new track for energy efficiency programs, legislators may also want to consider incorporating relevant policy guidance that currently applies to Efficiency Vermont and the other energy efficiency utilities in 30 VSA § 209d(3)(B) (see separate background document).
  - a. *Page 21, line 4 is the section where rule-making guidance to the PSB is located.*
2. Direct that any alternative compliance payments made pursuant to this legislation be directed by the CEDF to target programs for underserved markets such as low-income housing, or markets where specific barriers (e.g., rental housing) make participation more challenging.
  - a. *Insert at end of section starting on page 9, line 3.*
3. Allow for aggregation of transformation tier programs to further enable multi-utility offerings, beyond application just to VPPSA.
  - a. *Add as a provision to page 9, lines 13-14.*

Recommendations related to program coordination and integration

1. Instead of requiring a screening requirement that transformation measures must cost less than a tradeable distribution generation REC, require a consistent cost-effectiveness screening measure for all transformation tier projects (both renewable DG and fossil fuel displacement). This should be a societal cost-effectiveness test that includes not only narrow energy savings benefits, but also the significant environmental, health, and other “non-energy” benefits of these measures (as is alluded to on page 17, lines 2-4). The test should also apply to

EEU programs to enable the consistency of evaluation and counting of benefits that is called for on page 21, line 13

- a. *Replace language on page 19, lines 19-20 with a provision that the PSB will be rule adopt such screening criteria.*
2. Require that planning for this tier be conducted on a 3-year cyclical basis to enable integration with other utility planning processes (such as the Demand Resources Plan and the Long-Range Transmission Plan).
  - a. *Insert requirement as part of the PSB rule-making process starting on page 21, line 4.*
3. Require that the reporting provision include a report on greenhouse gas emissions (GHG) in order to provide information on the contribution of this program to overall state GHG reduction goals.
  - a. *Insert requirement in section starting on page 31, line 17.*

Additional recommendations and comments for H.40

1. Expand the reference to environmental and health impacts to apply to all tiers, not just the DG tier.
  - a. *Page 17, lines 3-4.*
2. Clarify that the savings being counted under the “transformation” tier is lifetime, not first-year.
  - a. *Could insert on page 20, line 3 prior to the word “net”.*
3. Unclear whether the MMBTU savings metric would capture (and incentivize) measures that would reduce use of fossil fuels with comparatively high carbon intensity. Is this the right standard if the goal is reduced GHG emissions?
  - a. *Page 20, line 1*
4. Unsure what the implications may be of applying of biomass harvesting and procurement standards to all uses – it may not be not practical to impose these standards for uses such as wood pellets for home heating.
  - a. *Page 25, line 3; page 37, line 12.*

