

1 TO THE HOUSE OF REPRESENTATIVES:

2 The Committee on Ways and Means to which was referred House Bill No.
3 40 entitled “An act relating to establishing a renewable energy standard and
4 energy transformation program” respectfully reports that it has considered the
5 same and recommends that the bill be amended as follows:

6 First: After Sec. 14, by inserting Secs. 14a and 14b to read:

7 Sec. 14a. 30 V.S.A. § 209(d) is amended to read:

8 (d) Energy efficiency.

9 * * *

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

1 (A) Balances in the Electric Efficiency Fund shall be ratepayer funds,
2 shall be used to support the activities authorized in this subdivision, and shall
3 be carried forward and remain in the Fund at the end of each fiscal year. These
4 monies shall not be available to meet the general obligations of the State.
5 Interest earned shall remain in the Fund. The Board will annually provide the
6 General Assembly with a report detailing the revenues collected and the
7 expenditures made for energy efficiency programs under this section. The
8 provisions of 2 V.S.A. § 20(d) (expiration of required reports) shall not apply
9 to the report to be made under this subsection.

10 (B) The charge established by the Board pursuant to this subdivision
11 (3) shall be in an amount determined by the Board by rule or order that is
12 consistent with the principles of least cost integrated planning as defined in
13 section 218c of this title.

14 (i) As circumstances and programs evolve, the amount of the
15 charge shall be reviewed for unrealized energy efficiency potential and shall be
16 adjusted as necessary in order to realize all reasonably available, cost-effective
17 energy efficiency savings. In setting the amount of the charge and its
18 allocation, the Board shall determine an appropriate balance among the
19 following objectives; provided, however, that particular emphasis shall be
20 accorded to the first four of these objectives: reducing the size of future power
21 purchases; reducing the generation of greenhouse gases; limiting the need to

1 upgrade the State's transmission and distribution infrastructure; minimizing the
2 costs of electricity; reducing Vermont's total energy demand, consumption,
3 and expenditures; providing efficiency and conservation as a part of a
4 comprehensive resource supply strategy; providing the opportunity for all
5 Vermonters to participate in efficiency and conservation programs; and
6 targeting efficiency and conservation efforts to locations, markets, or
7 customers where they may provide the greatest value. However, in no event
8 shall an energy efficiency charge imposed prior to February 1, 2018 exceed the
9 following rates:

10 (I) residential customer – \$0.01173 per kilowatt hour (kWh);

11 (II) commercial customer, no demand charge – \$0.0108 per
12 kWh;

13 (III) commercial customer, demand charge – \$0.00648 per
14 kWh plus \$1.0543 per kilowatt (kW);

15 (IV) industrial customer, no demand charge – \$0.00719 per
16 kWh; and

17 (V) industrial customers, demand charge – \$0.00484 per kWh
18 plus \$1.1344 per kW.

19 (ii) The Board, by rule or order, shall establish a process by which
20 a customer who pays an average annual energy efficiency charge under this
21 subdivision (3) of at least \$5,000.00 may apply to the Board to self-administer

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

6 Sec. 14b. JOINT ENERGY COMMITTEE; RECOMMENDATION

7 (a) On or before February 15, 2016, the Joint Energy Committee under
8 2 V.S.A. chapter 61 shall submit a recommendation to the House Committee
9 on Commerce and Economic Development, Senate Committee on Finance,
10 House Committee on Ways and Means, and House and Senate Committees on
11 Natural Resources and Energy on:

12 (1) whether the General Assembly should make permanent or revise the
13 cap on energy efficiency charge rates adopted under Sec. 14a of this act,
14 30 V.S.A. § 209(d), or allow that cap to expire in 2018; and

15 (2) what legislation, if any, the Committee recommends that the General
16 Assembly enact to clarify or alter the relationship of energy efficiency entities
17 and charges under 30 V.S.A. § 209(d) with the energy transformation category
18 adopted under Sec. 3 of this act, 30 V.S.A. § 8005(a).

19 (b) Prior to submitting its recommendation under this section, the Joint
20 Energy Committee shall offer an opportunity for comment by affected State

1 agencies; utilities; appointed energy efficiency entities; advocates for business,
2 consumer, and environmental interests; and members of the public.

3 (c) For the purpose of this section, the Joint Energy Committee may meet
4 no more than four times during adjournment without prior approval of the
5 Speaker of the House and the President Pro Tempore of the Senate.

6 Second: In Sec. 28 (effective dates), by striking out subsections (a) and (b)
7 and inserting in lieu thereof:

8 (a) This section and Secs. 8 (Public Service Board rulemaking),
9 10 (Forests, Parks and Recreation rulemaking), 14a (energy efficiency charge),
10 14b (joint energy committee; recommendation), 18 (net metering pilot project),
11 and 27 (severability) shall take effect on passage. Notwithstanding 1 V.S.A.
12 § 214, Sec. 18 shall apply to facilities for which an application for a certificate
13 of public good is pending as of its effective date.

14 (b) Secs. 1 through 7, 9, 11, 13, 14, 15 through 17, and 19 through 26 shall
15 take effect on July 1, 2015. Sec. 11 (net metering systems; environmental
16 attributes) shall not apply to complete applications filed prior to its effective
17 date.

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19 (Committee vote: _____)

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Representative _____

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FOR THE COMMITTEE