Summary: Omya is a success story and has worked very well with EVT and made significant strides in implementation of electric efficiency. However, they are ready to advance to a completely self-administered program at a more reasonable rate of commitment over a broader array of projects.

History:

1. Participate in the Customer Credit Program and are the only business in that category. They pay an energy efficiency charge on their electric bill that is held by Efficiency Vermont (EVT) in a dedicated account. In 2017, they paid approximately $1.53 million into this account. To access their funds Omya must find energy efficiency projects and implement them within a three-year timeframe to be eligible to get a refund from the account of up to 89.1% of their deposited money. The other 11% is retained by EVT.
2. Omya has done an immense amount of work with EVT and spent approximately $9 million dollars in electric efficiency projects between 2012 and 2018, but needs to become eligible for another EVT program, the so-called Self Managed Energy Efficiency Program or SMEEP, on a permanent basis.
3. In addition to investments with EVT Omya built Vermont's only Liquefied Natural Gas (LNG) storage facility in 2013 to convert from #2 fuel oil to LNG, which reduces approximately 38% of emissions for – TSP, SO2, NOx, and CO and approximately 26% for – CO2
4. Omya is also the offtaker for 10 – 500kw solar arrays

Proposal:

5. Omya would like to become eligible for SMEEP that is currently utilized by Global Foundries. Global was formerly a participant in the Customer Credit Program, but in 2010 the legislature created the SMEEP program for Global recognizing that their ability to more effectively self-manage a program and utilize their funds across a wider array of energy efficiency projects beyond electric efficiency.
6. Omya would like to qualify for SMEEP for several reasons:
    a. They have tackled the most meaningful electric efficiency projects and would like more flexibility in the types of efficiency project that they can implement. SMEEP allows for projects across all types of energy or fuels. In Omya's case, there are an array of thermal

projects that would be better investments from an efficiency and financial perspective;

b. They need to set the required annual expenditure to a sustainable rate that is also commensurate with their energy usage. Omya proposes a $500,000 annual commitment. It is using half the electricity that Global does per year whose commitment under SMEEP is $1million per year. In 2017 Omya paid into EVT $1.53 million and paid well in excess of $1 million since they have been in the Customer Credit Program.

c. Under SMEEP funds there is no reimbursement process involving EVT. Omya currently must pay into the EVT account and then must pay again to implement a project and then submit a rebate request in order to access their money in the EVT account. And they are only eligible for 89.1% of their funds. This is inefficient and Omya loses the use of their funds while in the EVT account. In addition, project costs are often higher than what may be in their EVT account, but in order to avoid potential forfeiture of their funds (they must be rebated within three years) they will pay for projects that are in excess of their balance in order to access the EVT money. This has resulted in an addition expense beyond what Omya pays into EVT of approximately $1.2 million dollars.

Statutory Language:

Omya's move to SMEEP on a permanent basis has the support of the DPS, the ACCD, Global Foundries, and Efficiency Vermont. In fact, it is a suggested legislative action in the recent Act 77 Report from DPS recognizing that Omya is unique among Vermont's businesses (Omya is Vermont's second largest electric energy user) and should be eligible for the SMEEP. (See the bottom of p. 12 of the report - https://legislature.vermont.gov/assets/Legislative-Reports/Act-77-PSD-Report.pdf)

Three provisions:

1) The amount spent in the qualifying year - $1.5 million in 2017
2) ISO 14001 certification
3) The required rate of average annual investment of $500,000.