

1 TO THE HOUSE OF REPRESENTATIVES:

2 The Committee on Energy and Technology to which was referred House
3 Bill No. 616 entitled “An act relating to thermal efficiency monies and
4 biomass-led district heat” respectfully reports that it has considered the same
5 and recommends that the bill be amended by striking out all after the enacting
6 clause and inserting in lieu thereof the following:

7 Sec. 1. 30 V.S.A. § 209 is amended to read:

8 § 209. JURISDICTION; GENERAL SCOPE

9 * * *

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

11 (1) Each of the following shall be used to deliver thermal energy and
12 process fuel energy efficiency services in accordance with this section for
13 unregulated fuels to Vermont consumers of such fuels. In addition, the
14 Commission may authorize an entity appointed to deliver such services under
15 subdivision (d)(2)(B) of this section to use monies subject to this subsection
16 for the conversion of thermal energy customers using fossil fuels to **district**
17 **heat if the majority of the district’s energy is from biomass sources, the**
18 **district’s distribution system is highly energy efficient, and such**
19 **conversion is cost effective.**

20 (A) Net revenues above costs associated with payments from the
21 New England Independent System Operator (ISO-NE) for capacity savings

1 resulting from the activities of the energy efficiency utility designated under
2 subdivision (2)(A) of this subsection (e) that are not transferred to the State
3 PACE Reserve Fund under 24 V.S.A. § 3270(c). These revenues shall be
4 deposited into the Electric Efficiency Fund established by this section. In
5 delivering services with respect to heating systems using the revenues subject
6 to this subdivision (A), the entity shall give priority to incentives for the
7 installation of high efficiency biomass heating systems and shall have a goal of
8 offering an incentive that is equal to 25 percent of the installed cost of such a
9 system. ~~In this subdivision (A), “biomass” means organic nonfossil material~~
10 ~~constituting a source of renewable energy within the meaning of section 8002~~
11 ~~of this title.~~ Provision of an incentive under this subdivision (A) for a biomass
12 heating system shall not be contingent on the making of other energy
13 efficiency improvements at the property on which the system will be installed.

14 (B) Net revenues above costs from the sale of carbon credits under
15 the cap and trade program established under section 255 of this title, which
16 shall be deposited into the Electric Efficiency Fund established by this section.

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

20 (2) If a program combines regulated fuel efficiency services with
21 unregulated fuel efficiency services supported by funds under this section, the

1 Commission shall allocate the costs of the program among the funding sources
2 for the regulated and unregulated fuel sectors in proportion to the benefits
3 provided to each sector.

4 (3) In this subsection:

5 (A) “Biomass” means organic nonfossil material constituting a
6 source of renewable energy within the meaning of section 8002 of this title.

7 (B) “District heat” means a system through which steam or hot water
8 from a central plant is piped into buildings to be used as a source of thermal
9 energy.

10 (C) “Efficiency services” includes the establishment of a statewide
11 information clearinghouse under subsection (g) of this section.

12 (D) “Fossil fuel” means an energy source formed in the Earth’s crust
13 from decayed organic material. The common fossil fuels are petroleum, coal,
14 and natural gas. A fossil fuel may be a regulated or unregulated fuel.

15 ~~(B)~~(E) “Regulated fuels” means electricity and natural gas delivered
16 by a regulated utility.

17 ~~(C)~~(F) “Unregulated fuels” means fuels used by thermal energy and
18 process fuel customers other than electricity and natural gas delivered by a
19 regulated utility.

20 * * *

1 Sec. 2. EFFECTIVE DATE

2 This act shall take effect on July 1, 2018.

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5 (Committee vote: _____)

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Representative _____

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FOR THE COMMITTEE