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H.739

AMENDMENT BASED ON EVT PROPOSAL

___ moves that the bill be amended after Sec. 1 by inserting a new Sec. 2 to read:

Sec. 2. ENERGY SAVINGS ACCOUNT PARTNERSHIP PILOT

(a) Definitions. As used in this section:

(1) “ACCD” means the Agency of Commerce and Community Development under 3 V.S.A. chapter 57.

(2) “Commission” means the Public Utility Commission under 30 V.S.A. § 3.

(3) “Customer” means a commercial or industrial electric customer that is located in a service territory in which Efficiency Vermont delivers energy efficiency programs and measures and that does not qualify for SMEEP.

(4) “Customer EEC Funds” means a customer’s EEC payments during the period of the ESA partnership project.

(5) “Department” means the Department of Public Service under 3 V.S.A. § 212 and 30 V.S.A. § 1.

(6) “EEC” means an energy efficiency charge on a customer’s retail electric bill under 30 V.S.A. § 209(d).

1 (7) “Efficiency Vermont” or “EVT” means the EEU whose appointment
2 under 30 V.S.A § 209(d)(2) includes the delivery of programs and measures to
3 customers of multiple electric distribution utilities.

4 (8) “Energy efficiency utility” or “EEU” means an entity appointed to
5 deliver energy efficiency and conservation programs and measures under
6 30 V.S.A. § 209(d)(2).

7 (9) “ESA” means an energy savings account under 30 V.S.A.
8 § 209(d)(3)(B).

9 (10) “ESA Partnership Pilot” means the three-year pilot program
10 established by this section.

11 (11) “Productivity measures” means investments that reduce the amount
12 of energy required to produce a unit of product.

13 (12) “SMEEP” means the self-managed energy efficiency program
14 established under 30 V.S.A. § 209(j).

15 (13) “Standing committees of jurisdiction” means the House Committee
16 on Energy and Technology and the Senate Committees on Finance and on
17 Natural Resources and Energy.

18 (14) “Unregulated fuel” shall have the same meaning as in 30 V.S.A.
19 § 209(e).

20 (b) ESA Partnership Pilot; establishment. On or before January 1, 2019,
21 the Commission by rule or order shall establish a three-year pilot program for

1 up to 10 customers to self-direct the use of their Customer EEC Funds,
2 working with EVT. The total amount of Customer EEC Funds available in the
3 pilot program each year shall not exceed \$2 million. The pilot program
4 established under this section shall be an expansion of the ESA option under
5 which:

6 (1) Notwithstanding any contrary provision of 30 V.S.A. § 209(d)(3)(B),
7 the customer shall be able to receive an amount equal to 100 percent of its
8 Customer EEC Funds to pay for projects that reduce the customer's total
9 energy costs in accordance with subdivision (3) of this subsection and for
10 technical assistance and other services from Efficiency Vermont.

11 (2) The customer may receive payments in advance from EVT based on
12 the energy management plan submitted under subsection (d) of this section,
13 estimated project costs, and projected energy savings. However, a customer
14 shall not be able to receive advance payments from EVT that exceed the
15 amount of Customer EEC Funds the customer has already paid.

16 (3) Notwithstanding any contrary provision of 30 V.S.A. § 209, the
17 Customer EEC Funds may be used to reduce a customer's total energy costs
18 through one or more of the following: electric energy efficiency, thermal
19 energy and process-fuel efficiency for unregulated fuels, productivity
20 measures, demand management, and energy storage.

1 (b) Methodology for evaluation, measurement, and verification. In its rule
2 or order under subsection (a) of this section, the Commission shall establish a
3 methodology for evaluation, measurement, and verification of projects
4 implemented under the pilot that is consistent with the requirements of
5 30 V.S.A. § 218c and that includes cost-effectiveness screening that values
6 energy savings across the customer’s energy portfolio and non-energy benefits
7 such as economic development.

8 (1) This methodology may be considered for future establishment of
9 EEU performance criteria under 30 V.S.A. § 209(d).

10 (2) EVT shall evaluate and verify the electricity savings of each project
11 funded under the ESA Partnership Pilot with no less rigor than is required by
12 the Independent System Operator of New England (ISO-NE) for the ISO-NE’s
13 forward capacity market.

14 (c) Competitive solicitation. A customer shall apply to participate in the
15 ESA Partnership Pilot through a competitive solicitation process conducted
16 jointly by EVT, the Department, and ACCD.

17 (1) Promptly after the Commission’s rule or order under subsection (a)
18 becomes effective, EVT, the Department, and ACCD shall establish criteria for
19 customer selection that are consistent with that rule or order and that take into
20 account energy efficiency and economic development.

1 (2) On establishment of the selection criteria, EVT, the Department, and
2 ACCD jointly shall issue a request for proposals (RFP) from customers
3 seeking to participate in the ESA Partnership Pilot.

4 (3) EVT, the Department, and ACCD jointly shall select up to 10
5 customers to participate in the ESA Partnership Pilot from among the
6 customers that timely submit proposals in response to the RFP and shall notify
7 the Commission of the selected customers.

8 (4) If EVT, the Department, and ACCD are unable to resolve an issue
9 arising under this subsection, they shall bring the issue to the Commission for
10 resolution.

11 (d) Energy management plans. Working with EVT, each customer selected
12 for the ESA Partnership Pilot shall develop an energy management plan for the
13 three-year period of the pilot with projects to be implemented, energy savings
14 targets, and a timeline for projects and investments. A copy of each plan shall
15 be submitted to the Commission, the Department, and ACCD.

16 (e) Other EEU services. A customer that participates in the ESA
17 Partnership Pilot shall not be eligible for other EEU services, except for an
18 EEU appointed to deliver natural gas efficiency programs and measures.

19 (f) Other funding. A customer that participates in the ESA Partnership
20 Pilot may receive funding from an energy program administered by a
21 government or other person that is not the participant, including an EEU

1 appointed to deliver natural gas efficiency services, but may not count such
2 funds as part of the investment commitment of the ESA Partnership Pilot.

3 (g) Unused funds. At the end of the ESA Partnership Pilot, any Customer
4 EEC Funds that have not been expended under the pilot shall revert to use for
5 systemwide energy efficiency programs and measures.

6 (h) Annual reports. On or before each April 1 from 2020 through 2022, the
7 EVT and the selected customers jointly shall submit written progress reports to
8 the Commission, the Department, and the standing committees of jurisdiction
9 that include projects under the ESA Partnership Pilot and their associated
10 energy and cost savings. A customer's projects under the pilot and the
11 associated data and results shall be made public through this report. [Should
12 there be any avenue for assertion that some data would qualify for exemption
13 under the Public Records Act?]

14 (i) Audit; recommendation. On completion of the ESA Partnership Pilot,
15 the Commission shall conduct or shall have a third party conduct an
16 independent evaluation of the ESA Partnership Pilot and, after considering the
17 results of that evaluation, shall submit a written recommendation to the
18 standing committees of jurisdiction on whether to continue the program
19 conducted under this section and, if so, under what recommended conditions
20 and revisions, if any. The Commission shall submit this recommendation on
21 or before November 15, 2022.

- 1 and by renumbering the remaining section to be numerically correct.