

Sec.5. PUBLIC SERVICE DEPARTMENT; EFFICIENCY UTILITY ECONOMIC DEVELOPMENT ENHANCEMENTS

On or before January 15, 2018, the Department of Public Service shall provide a recommendation to the General Assembly regarding how the Energy Efficiency Utilities (EEUs) might better deploy their services and incentives to encourage economic development and boost affordability.

In preparing the recommendation, the Department shall consult with the Agency of Commerce and Community Development, the Energy Efficiency Utilities (EEU), the regional development corporations, and other interested stakeholders.

At a minimum, the recommendation by the Department shall:

- 1) Include recommendations to increase the utilization of self-administered efficiency programs including (1) measures or criteria to incentivize increased participation in self administration of energy efficiency; (2) whether any incentives to increase participation in self administration should be included as part of the demand resources plan for entities appointed to implement and administer gas and electric energy efficiency and conservation programs; and (3) how the entities appointed to implement and administer gas and electric energy efficiency and conservation programs shall report in an annual plan or other report participation rates in self-administration of energy efficiency by businesses located in the small towns of rural areas of the State. As used in this section: (1) "Rural area" means a county of the State designated as "rural" or "mostly rural" by the U.S. Census Bureau in its most recent decennial census. (2) "Small town" means a town in a rural area of the State with a population of less than 5,000 at the date of the most recent U.S. Census Bureau decennial census.
- 2) Explore creation of a multi-year pilot program that allows a category of commercial and industrial customers to apply the total amount of their Energy Efficiency Charge (EEC), for the period of the pilot, to make investments that reduce the customer's total energy consumption. The goal of this program would be to dramatically reduce all energy costs for the customer, and to transform the energy profile of the customer such that significant savings would be generated and endure over the long-term. Customers in this program shall receive the full amount of their EEC contributions for the period of the pilot in the form of direct services and incentives provided by the Energy Efficiency Utility. The Energy Efficiency Utility will consider how to cost-effectively lower customer's bills across electric, heating, transportation, and process fuels using energy efficiency, demand management, energy storage, fuel-switching, and on-site renewable energy. In exploring such a program, the Department shall consider:
 - a. The definition of eligible customers;
 - b. The treatment of such a program as the equivalent to an economic development rate for the Energy Efficiency Utility (with reference to existing programs such as the Self-Managed Energy Efficiency Program, the Customer Credit Program, and Energy Savings Account Program);

- c. The benefits of such a program for reducing customers' operating costs and thereby promoting job retention and economic development;
 - d. The potential impact on commercial and industrial customers that may not be eligible to participate in such a program;
 - e. The extent to which cost shifts or subsidization among rate classes may occur;
and
 - f. The extent to which such a program would promote state energy goals.
- 3) Propose a timeline for phasing in any recommendations, with consideration of the impact to the Energy Efficiency Utilities' established budgets, regulatory requirements, and the value of rapid implementation of the measures.

Amend 30 V.S.A. Section 209 (d) (3) as follows:

(3) Energy efficiency charge; regulated fuels. In addition to its existing authority, the Board may establish by order or rule a volumetric charge to customers for the support of energy efficiency programs that meet the requirements of section 218c of this title and afford due consideration to the State's energy and economic policy interests highlighted in section 218e of this title in order to maintain and enhance the state's economic vitality. The charge shall be known as the energy efficiency charge, shall be shown separately on each customer's bill, and shall be paid to a fund administrator appointed by the Board and deposited into an Electric Efficiency Fund. When such a charge is shown, notice as to how to obtain information about energy efficiency programs approved under this section shall be provided in a manner directed by the Board. This notice shall include, at a minimum, a toll-free telephone number, and to the extent feasible shall be on the customer's bill and near the energy efficiency charge.