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**State of Vermont  
Public Service Board**

MEMORANDUM

To: Vermont General Assembly  
Office of Legislative Council

From: James Volz, Chairman, Vermont Public Service Board

Re: Report on Self-Managed Energy Efficiency Programs for 2016 Program Year

Date: April 26, 2017

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Section 209(j)(4)(G) of Title 30 requires the Vermont Public Service Board to provide a report to the Vermont General Assembly annually by April 30 concerning the "prior calendar year's class of self-managed energy efficiency programs." Accordingly, I am forwarding the enclosed report to you in satisfaction of this statutory directive for the 2016 program year.

Please do not hesitate to contact me if you have any questions.

Encl. (1)

**Annual Report to the Vermont General Assembly**

**Pursuant to**

**30 V.S.A. § 209(j)(4)(G)**

by the

Vermont Public Service Board

April 26, 2017

The Self-Managed Energy Efficiency Program (“SMEEP”) was created in 2009 by Act 45<sup>1</sup> to allow eligible transmission and industrial ratepayers to manage their own energy efficiency programs and to thereby be exempted from the energy efficiency charge that funds the Energy Efficiency Utility under 30 V.S.A. § 209(d)(3). As a condition of participating in SMEEP, an exempt ratepayer must commit to spending an annual average of no less than \$1 million over a three-year period on energy efficiency investments. SMEEP became effective on January 1, 2010.

Pursuant to 30 V.S.A. § 209(j)(4)(G), the Public Service Board (“Board”) shall report to the general assembly annually by April 30 concerning the prior calendar year’s class of self-managed energy efficiency programs. The report shall include identification of participants, their annual investments, and resulting savings, and any actions taken to exclude entities from the program.

#### Identification of Participants

GlobalFoundries is the only participant in SMEEP. GlobalFoundries assumed ownership of the IBM-Vermont facility on July 1, 2015, and assumed the obligations and outstanding commitments made by IBM relative to the SMEEP program. On December 23, 2015, GlobalFoundries applied to participate in SMEEP beginning January 1, 2016.

#### Annual Investments

GlobalFoundries invested approximately \$479,930 in energy efficiency projects that were completed at its facility in 2016. In order to achieve the \$1 million average annual spending requirement over the 2016-2018 period, GlobalFoundries will have to invest approximately \$1.26 million at its facility in both 2017 and 2018. During the 2013-2015 period, annual average investments at the facility were \$1.062 million.

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1. Public Act 45, § 14 (2009 Vt., Bien. Sess.), now codified as 30 V.S.A. § 209(j).

### Annual Savings

GlobalFoundries estimates that the energy efficiency investments at its facility in 2016 will save approximately 1,440,478 kWh per year in electricity.<sup>2</sup> In addition, GlobalFoundries estimates that many of its 2016 investments will last for 20 years, and will save approximately 27,091,629 kWh in electricity over their lifetime.

### Actions Taken to Exclude Entities From SMEEP

Section 209(j)(4) requires that, in order to be eligible to participate in SMEEP, a ratepayer must have paid a minimum of \$1.5 million in energy efficiency charges in calendar year 2008. The Board is not aware of any entities, other than GlobalFoundries, that meet this criterion, and IBM — now GlobalFoundries — is the only entity that has applied to participate in SMEEP.<sup>3</sup> Therefore, the Board has taken no action to exclude any entity from SMEEP.

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2. Pursuant to the program design proposed by the Vermont Department of Public Service (“Department”) and approved by the Board, the Department is required to verify the savings estimated by Program participants. *See Order establishing a self-managed energy efficiency program (“SMEEP”), 12/28/09 and attachment.* As of the date of this report, this verification has not yet taken place for the calendar year 2016 estimates provided by GlobalFoundries.

3. In its 2009 application, IBM stated that it paid more than \$1.5 million in energy efficiency charges in 2008. *See Order establishing a self-managed energy efficiency program (“SMEEP”), 12/28/09, at 8.*