

1 *Requested by Sen. Bray*

2 TO THE HONORABLE SENATE:

3 The Committee on Natural Resources and Energy to which was referred
4 House Bill No. 410 entitled “An act relating to adding products to Vermont’s
5 energy efficiency standards for appliances and equipment” respectfully reports
6 that it has considered the same and recommends that the Senate propose to the
7 House that the bill be amended as follows:

8 First: After the enacting clause, by inserting a reader assistance heading as
9 follows:

10 * * * Appliance Efficiency * * *

11 Second: After Sec. 6 (rulemaking), by striking out Sec. 7 (effective date)
12 and inserting reader assistance headings and Secs. 7 through 28 as follows:

13 * * * Energy Planning * * *

14 Sec. 7. 30 V.S.A. § 202b is amended to read:

15 § 202b. STATE COMPREHENSIVE ENERGY PLAN

16 (a) The Department of Public Service, in conjunction with other State
17 agencies designated by the Governor, shall prepare a State Comprehensive
18 Energy Plan covering at least a 20-year period. The Plan shall seek to
19 implement the State energy policy set forth in section 202a of this title and
20 shall be consistent with the relevant goals of 24 V.S.A. § 4302. The Plan shall
21 include:

1 (1) a comprehensive analysis and projections regarding the use, cost,
2 supply, and environmental effects of all forms of energy resources used within
3 Vermont;

4 (2) recommendations for State implementation actions, regulation,
5 legislation, and other public and private action to carry out the Comprehensive
6 Energy Plan, including recommendations for State agency energy plans under
7 3 V.S.A. § 2291 and transportation planning under Title 19; and

8 (3) recommendations for regional and municipal energy planning and
9 standards for issuing a determination of energy compliance pursuant to
10 24 V.S.A. § 4352.

11 * * *

12 (e) The Commissioner of Public Service (Commissioner) shall file an
13 annual report on progress in meeting the goals of the Plan. The report shall
14 address each of the following sectors of energy consumption in the State:
15 electricity, nonelectric fuels for thermal purposes, and transportation. In
16 preparing the report, the Commissioner shall consult with the Secretaries of
17 Administration, of Agriculture, Food and Markets, of Natural Resources, and
18 of Transportation and the Commissioner of Buildings and General Services.

19 (1) The Commissioner shall file the report on or before January 15 of
20 each year, commencing in 2019. The provisions of 2 V.S.A. § 20(d) shall not
21 apply to this report.

1 (2) The Commissioner shall file the report with the House Committees
2 on Energy and Technology and on Natural Resources, Fish, and Wildlife and
3 with the Senate Committees on Finance and on Natural Resources and Energy.

4 (3) For each sector, the report shall provide:

5 (A) In millions of British thermal units (MMBTUs) for the most
6 recent calendar year for which data are available, the total amount of energy
7 consumed, the amount of renewable energy consumed, and the percentage of
8 renewable energy consumed. For the electricity sector, the report shall also
9 state the amounts in megawatt hours (MWH) and the Vermont and New
10 England summer and winter peak electric demand, including the hour and day
11 of peak demand.

12 (B) Projections of the energy reductions and shift to renewable
13 energy expected to occur under existing policies, technologies, and markets.
14 The most recent available data shall be used to inform these projections and
15 shall be provided as a supplement to the data described in subdivision (A) of
16 this subdivision (3).

17 (C) Recommendations of policies to further the renewable energy
18 goals set forth in statute and the Plan, along with an evaluation of the relative
19 cost-effectiveness of different policy approaches.

20 (4) The report shall include a supplemental analysis setting forth how
21 progress toward the goals of the Plan is supported by complementary work in

1 avoiding or reducing energy consumption through efficiency and demand
2 reduction. In this subdivision (4), “demand reduction” includes dispatchable
3 measures, such as controlling appliances that consume energy, and
4 nondispatchable measures, such as weatherization.

5 (5) The report shall include recommendations on methods to enhance
6 the process for planning, tracking, and reporting progress toward meeting
7 statutory energy goals and the goals of the Plan. Such recommendations may
8 include the consolidation of one or more periodic reports filed by the
9 Department or other State agencies relating to renewable energy, with
10 proposals for amending the statutes relevant to those reports.

11 (6) The report shall include a summary of the following information for
12 each sector:

13 (A) major changes in relevant markets, technologies, and costs;

14 (B) average Vermont prices compared to the other New England
15 states, based on the most recent available data; and

16 (C) significant Vermont and federal incentive programs that are
17 relevant to one or more of the sectors.

1 principles, which are principles of safety and accommodation of all
2 transportation system users, regardless of age, ability, or modal preference; and

3 (2) the need for transportation projects that will improve the State's
4 economic infrastructure, as well as the use of resources in efficient,
5 coordinated, integrated, cost-effective, and environmentally sound ways, and
6 that will be consistent with the recommendations of the Comprehensive
7 Energy Plan (CEP) issued under 30 V.S.A. § 202b.

8 (b) The Agency shall coordinate planning and education efforts with those
9 of the Vermont Climate Change Oversight Committee and those of local and
10 regional planning entities:

11 (1) to ~~assure~~ ensure that the transportation system as a whole is
12 integrated, that access to the transportation system as a whole is integrated, and
13 that statewide, local, and regional conservation and efficiency opportunities
14 and practices are integrated; and

15 (2) to support ~~employer~~ employer-led or local or regional government-
16 led conservation, efficiency, rideshare, and bicycle programs and other
17 innovative transportation advances, especially employer-based incentives.

18 (c) In developing the State's annual Transportation Program, the Agency
19 shall, consistent with the planning goals listed in 24 V.S.A. § 4302 as amended
20 by 1988 Acts and Resolves No. 200 and with appropriate consideration to
21 local, regional, and State agency plans:

1 (c) Transportation ~~program~~ Program. The ~~transportation program~~
2 Transportation Program shall be developed in a fiscally responsible manner to
3 accomplish the following objectives:

4 (1) ~~Managing~~ managing, maintaining, and improving the ~~state's~~ State's
5 existing transportation infrastructure to provide capacity, safety, and flexibility
6 in the most cost-effective and efficient manner;

7 (2) ~~Developing~~ developing an integrated transportation system that
8 provides Vermonters with transportation choices;

9 (3) ~~Strengthening~~ strengthening the economy, protecting the quality of
10 the natural environment, and improving Vermonters' quality of life; and

11 (4) achieving the recommendations of the CEP.

12 * * *

13 Sec. 11. 3 V.S.A. § 2291 is amended to read:

14 § 2291. STATE AGENCY ENERGY PLAN

15 * * *

16 (c) The Secretary of Administration with the cooperation of the
17 Commissioners of Public Service and of Buildings and General Services shall
18 develop and oversee the implementation of a State Agency Energy Plan for
19 State government. The Plan shall be adopted by June 30, 2005, modified as
20 necessary, and readopted by the Secretary on or before January 15, 2010 and
21 each sixth year subsequent to 2010. The Plan shall be consistent with the

1 Comprehensive Energy Plan (CEP) issued under 30 V.S.A. § 202b. The Plan
2 shall accomplish the following objectives and requirements:

3 * * *

4 * * * Motor Vehicle Purchase and Use Tax * * *

5 Sec. 12. 32 V.S.A. § 8903 is amended to read:

6 § 8903. TAX IMPOSED

7 (a)(1) There is hereby imposed upon the purchase in Vermont of a motor
8 vehicle by a resident a tax at the time of such purchase, payable as hereinafter
9 provided. ~~The~~ Except as otherwise provided in subdivision (3) of this
10 subsection, the amount of the tax shall be six percent of the taxable cost of a:

11 (A) pleasure car as defined in 23 V.S.A. § 4;

12 (B) motorcycle as defined in 23 V.S.A. § 4;

13 (C) motor home as defined in subdivision 8902(11) of this title; or

14 (D) vehicle weighing up to 10,099 pounds, registered pursuant to
15 23 V.S.A. § 367, other than a farm truck.

16 (2) For any other motor vehicle, it shall be six percent of the taxable cost
17 of the motor vehicle or \$2,075.00 for each motor vehicle, whichever is smaller,
18 except that pleasure cars that are purchased, leased, or otherwise acquired for
19 use in short-term rentals shall be subject to taxation under subsection (d) of this
20 section.

1 (3)(A) For an all-electric vehicle, the tax shall be six percent of the
2 amount that the taxable cost exceeds \$30,000.00.

3 (B) For a plug-in hybrid electric vehicle, the tax shall be six percent
4 of the amount that the taxable cost exceeds \$15,000.00.

5 (b)(1) ~~There~~ Except as otherwise provided in subdivision (3) of this
6 subsection, there is hereby imposed upon the use within this State a tax of six
7 percent of the taxable cost of a:

8 (A) pleasure car as defined in 23 V.S.A. § 4;

9 (B) motorcycle as defined in 23 V.S.A. § 4;

10 (C) motor home as defined in subdivision 8902(11) of this title; or

11 (D) vehicle weighing up to 10,099 pounds, registered pursuant to
12 23 V.S.A. § 367, other than a farm truck.

13 (2) For any other motor vehicle, it shall be six percent of the taxable cost
14 of the motor vehicle or \$2,075.00 for each motor vehicle, whichever is smaller,
15 by a person at the time of first registering or transferring a registration to such
16 motor vehicle payable as hereinafter provided, except no use tax shall be
17 payable hereunder if the tax imposed by subsection (a) of this section has been
18 paid, or the vehicle is a pleasure car that was purchased, leased, or otherwise
19 acquired for use in short-term rentals, in which case the vehicle shall be subject
20 to taxation under subsection (d) of this section.

1 electric vehicles and associated charging stations as directed in 30 V.S.A.

2 § 8015(c):

3 (1) for monies collected in fiscal year 2019, 80 percent to the CEDF and
4 20 percent to the Transportation Fund;

5 (2) for monies collected in fiscal year 2020, 70 percent to the CEDF and
6 30 percent to the Transportation Fund; and

7 (3) for monies collected in fiscal year 2021, 60 percent to the CEDF and
8 40 percent to the Transportation Fund.

9 Sec. 14. REPEAL

10 23 V.S.A. § 361(b) and (c) (supplemental registration fee for plug-in
11 electric vehicles; allocation) are repealed.

12 Sec. 15. 30 V.S.A. § 8015 is amended to read:

13 § 8015. VERMONT CLEAN ENERGY DEVELOPMENT FUND

14 (a) Creation of Fund.

15 (1) There is established the Vermont Clean Energy Development Fund
16 to consist of each of the following:

17 (A) ~~The~~ the proceeds due the State under the terms of the
18 memorandum of understanding between the Department of Public Service and
19 Entergy Nuclear VY and Entergy Nuclear Operations, Inc. that was entered
20 under Public Service Board docket 6812; together with the proceeds due the
21 State under the terms of any subsequent memoranda of understanding entered

1 before July 1, 2005 between the Department of Public Service and Energy
2 Nuclear VY and Entergy Nuclear Operations, Inc.;

3 (B) supplemental electric vehicle registration fees as specified in
4 23 V.S.A. § 361(c); and

5 (C) ~~Any~~ any other monies that may be appropriated to or deposited
6 into the Fund.

7 (2) Balances in the Fund shall be expended solely for the purposes set
8 forth in this subchapter and shall not be used for the general obligations of
9 government. All balances in the Fund at the end of any fiscal year shall be
10 carried forward and remain part of the Fund. Interest earned by the Fund shall
11 be deposited in the Fund. This Fund is established in the State Treasury
12 pursuant to 32 V.S.A. chapter 7, subchapter 5.

13 * * *

14 (c) Purposes of Fund. The purposes of the Fund shall be to promote the
15 development and deployment of cost-effective and environmentally sustainable
16 electric power and thermal energy or geothermal resources for the long-term
17 benefit of Vermont consumers, primarily with respect to renewable energy
18 resources, and the use of combined heat and power technologies. The Fund
19 also may be used to support natural gas and electric vehicles in accordance
20 with subdivisions (d)(1)(K) and (L) of this section, respectively and, in the
21 case of funds from supplemental electric vehicle registration fees described in

1 subdivision (a)(1)(B) of this section, these funds shall be used exclusively to
2 support electric vehicles and associated charging stations in accordance with
3 subdivision (d)(1)(L). The General Assembly expects and intends that the
4 Public Utility Commission, the Department of Public Service, and the State's
5 power and efficiency utilities will actively implement the authority granted in
6 this title to acquire all reasonably available cost-effective energy efficiency
7 resources for the benefit of Vermont ratepayers and the power system.

8 * * *

9 Sec. 16. 30 V.S.A. § 8015 is amended to read:

10 § 8015. VERMONT CLEAN ENERGY DEVELOPMENT FUND

11 (a) Creation of Fund.

12 (1) There is established the Vermont Clean Energy Development Fund
13 to consist of each of the following:

14 (A) the proceeds due the State under the terms of the memorandum
15 of understanding between the Department of Public Service and Entergy
16 Nuclear VY and Entergy Nuclear Operations, Inc. that was entered under
17 Public Service Board docket 6812; together with the proceeds due the State
18 under the terms of any subsequent memoranda of understanding entered before
19 July 1, 2005 between the Department of Public Service and Entergy Nuclear
20 VY and Entergy Nuclear Operations, Inc.;

1 ~~subdivision (d)(1)(L)~~. The General Assembly expects and intends that the
2 Public Utility Commission, the Department of Public Service, and the State's
3 power and efficiency utilities will actively implement the authority granted in
4 this title to acquire all reasonably available cost-effective energy efficiency
5 resources for the benefit of Vermont ratepayers and the power system.

6 * * *

7 Sec. 17. 19 V.S.A. § 11 is amended to read:

8 § 11. TRANSPORTATION FUND

9 ~~The~~ Except as otherwise specifically provided by law, the Transportation
10 Fund shall comprise the following:

11 (1) all taxes, penalties, and fees received by the Commissioner of
12 Motor Vehicles except those relating to motorboats imposed under 23 V.S.A.
13 chapter 29, which shall be expended pursuant to 23 V.S.A. § 3319;

14 * * *

15 Sec. 18. REPORT AND RECOMMENDATIONS; ELECTRIC VEHICLE

16 CONTRIBUTION TO TRANSPORTATION INFRASTRUCTURE

17 (a) On or before December 15, 2020, the Secretary of Transportation
18 (Secretary) and the Public Utility Commission (PUC) jointly shall file a report
19 that analyzes multiple methods for ensuring that plug-in electric vehicles (EVs)
20 owned or used in Vermont contribute, commensurately in comparison to other
21 types of vehicles, for their use of the State's transportation infrastructure. The

1 report shall include their recommendation on which of those methods the State
2 of Vermont should adopt.

3 (b) Prior to submitting this report, the Secretary and PUC shall provide an
4 opportunity for written submission of relevant comments and information by
5 the public and shall conduct one or more public meetings at which the public
6 may provide such comments and information.

7 (c) Methods analyzed in the report shall include continuation or
8 modification of the partial exemption from the purchase and use tax authorized
9 in Sec. 12 of this act or the supplemental registration fee authorized in Sec. 13
10 of this act, assessing a fee based on vehicle mileage, assessing a fee per
11 kilowatt hour delivered to an EV in Vermont, and other methods that the
12 Secretary and the PUC consider to merit exploration.

13 (d) In the report, the Secretary and the PUC shall consider whether the
14 revenues generated from EVs should be allocated between the Transportation
15 Fund and the Clean Energy Development Fund and, if so, shall provide a
16 recommended allocation.

17 (e) The Secretary and PUC shall submit the report to the House
18 Committees on Energy and Technology and on Transportation and to the
19 Senate Committees on Finance, on Natural Resources and Energy, and on
20 Transportation.

1 (b) No person shall enter or remain on any State highway facility for the
2 purpose of overnight camping unless the particular facility has been designated
3 for that purpose by the Traffic Committee.

4 (c)(1) On the basis of an engineering and traffic investigation or findings as
5 to adverse effects on the quiet enjoyment and property values of people living
6 adjacent to a State highway facility, the Traffic Committee may designate the
7 size and types of vehicles allowed to park in a State highway facility or in
8 particular areas of a State highway facility.

9 (2) In addition, the Secretary may prescribe that only plug-in electric
10 vehicles are permitted to park in designated areas of a State highway facility.

11 (d) Notice of the prohibitions or restrictions under this section shall be
12 posted at the affected facilities by regulatory signs conforming to the Manual
13 on Uniform Traffic Control Devices.

14 Sec. 21. 23 V.S.A. § 1008a is amended to read:

15 § 1008a. REGULATION OF MOTOR VEHICLES AT STATE AIRPORTS

16 (a)(1) The Secretary may adopt rules governing the operation, use, and
17 parking of motor vehicles on the grounds of State airports, including the
18 access roads.

19 (2) In addition, the Secretary may prescribe that only plug-in electric
20 vehicles are permitted to park in designated areas on such grounds.

1 **(b)** Signs indicating the ~~special regulations~~ rules or restrictions shall be
2 conspicuously posted in and near all areas affected.

3 * * * Charging Stations; Public Utility Commission Jurisdiction * * *

4 Sec. 22. 30 V.S.A. § 201 is amended to read:

5 § 201. DEFINITIONS

6 (a) As used in this chapter, the word “company” or “companies” means and
7 includes individuals, partnerships, associations, corporations, and
8 municipalities owning or conducting any public service business or property
9 used in connection therewith and covered by the provisions of this chapter.

10 **(1)** The term “company” or “companies” also includes electric
11 cooperatives organized and operating under chapter 81 of this title, the
12 Vermont Public Power Supply Authority to the extent not inconsistent with
13 chapter 84 of this title, and the Vermont Hydroelectric Power Authority to the
14 extent not inconsistent with chapter 90 of this title.

15 **(2)** In the context of actions requiring prior approval under section 107
16 of this title, the term “company” shall also mean any individual, partnership,
17 association, corporation, group, syndicate, operating division, joint stock
18 company, trust, other entity, or municipality ~~which~~ that would be defined as a
19 company pursuant to this section if such approval were to be granted.

20 **(3)** The ownership or operation, or both, of a station that provides power
21 to motor vehicles or the provision of power to motor vehicles shall not, in and

1 of themselves, cause an individual or other entity to be a company within the
2 meaning of this subsection or to be subject to the jurisdiction of the Public
3 Utility Commission and the Department of Public Service.

4 * * *

5 * * * Rate Schedules for Customer Charging of Electric Vehicles * * *

6 Sec. 23. 30 V.S.A. § 218(h) is added to read:

7 (h) A company may propose and the Commission may approve or require
8 the adoption of a rate schedule under which a customer as defined in section
9 8002 of this title may charge a plug-in electric vehicle (EV) on the customer's
10 premises at a rate that is reduced from what the customer otherwise would pay
11 the company for consuming electric energy. The Commission shall provide
12 notice and opportunity for hearing prior to approving or requiring such a rate
13 schedule. The Commission may approve or require such a schedule after
14 finding all of the following:

15 (1) The schedule will provide benefits to the company's transmission or
16 distribution system, or both, such as increasing the efficient use of the system
17 through encouraging nighttime charging of EVs.

18 (2) The schedule will provide benefits to the ratepayers of the company
19 that outweigh any costs to those ratepayers.

1 (3) Implementation of the schedule will result in avoided environmental
2 and public health costs of greenhouse gas emissions, and the amount of those
3 avoided costs exceeds the costs caused by the schedule and its implementation.

4 Sec. 24. INVESTIGATION; ELECTRIC VEHICLE RATE SCHEDULES

5 (a) On or before July 1, 2019, the Public Utility Commission shall open
6 and complete an investigation and issue a final order concerning the
7 establishment of rate schedules under which a customer may charge a plug-in
8 electric vehicle on the customer's premises (on-premise charging) at a rate that
9 is reduced from what the customer otherwise would pay the company for
10 consuming electric energy.

11 (1) Terms used in this section that are defined in 30 V.S.A. § 8002 shall
12 have the same meaning as in that statute.

13 (2) Parties to the investigation shall include the Department of Public
14 Service and the Vermont retail electricity providers.

15 (b) Issues addressed in the Commission's final order in this investigation
16 shall include:

17 (1) The potential existence and amount of economic benefit to the
18 Vermont transmission and distribution system that may be obtained from
19 encouraging on-premise charging.

1 (2) The environmental and public health costs that may be avoided
2 through encouraging on-premise charging, including the quantification of
3 those costs.

4 (3) The parameters of a rate schedule that would be needed to encourage
5 on-premise charging in a manner that captures the benefits and avoids the costs
6 described in subdivisions (1) and (2) of this subsection, respectively, and
7 otherwise avoids or reduces the imposition of costs on ratepayers who do not
8 engage in such charging.

9 (c) If, after consideration of the issues identified in subsection (b) of this
10 section, the Commission finds that reduced rate schedules for on-premise
11 charging should be instituted, the Commission’s final order shall require each
12 Vermont retail electricity provider to submit, by a date certain, a proposed rate
13 schedule that complies with 30 V.S.A. § 218(h).

14 * * * Agency of Agriculture, Food and Markets; Weights and Measures;
15 Electric Vehicle Charging Stations; Inspection and Enforcement * * *

16 Sec. 25. 9 V.S.A. § 2651(14) is amended to read:

17 (14) “Weights and measures” means all weights and measures of every
18 kind, instruments and devices for weighing and measuring, and any appliances
19 and accessories associated with any or all such instruments and devices,
20 including meters for the measurement of electricity offered for sale at an
21 electric vehicle charging station, but not including meters for the measurement

1 of electricity, natural or manufactured gas (~~natural or manufactured~~), or water
2 when they are operated in a public utility system. Such electricity, gas, and
3 water meters are specifically excluded from the purview of this chapter, and
4 this chapter shall not apply to such meters or to any appliances or accessories
5 associated therewith.

6 * * * Charging Stations; Exclusion from Net Metering * * *

7 Sec. 26. 30 V.S.A. § 8002(16) is amended to read:

8 (16) “Net metering system” means a plant for generation of electricity
9 that:

10 (A) is of no more than 500 kW capacity;

11 (B) operates in parallel with facilities of the electric distribution
12 system;

13 (C) is intended primarily to offset the customer’s own electricity
14 requirements and does not supply electricity to a charging station for the retail
15 sale of electricity to plug-in electric vehicles; and

16 (D)(i) employs a renewable energy source; or

17 (ii) is a qualified micro-combined heat and power system of
18 20 kW or fewer that meets the definition of combined heat and power in
19 subsection 8015(b) of this title and uses any fuel source that meets air quality
20 standards.

1 Sec. 27. 30 V.S.A. § 8010(c)(2)(F)(iii) is added to read:

2 (iii) A bill credit for kWh generated by a net metering system shall
3 not be assigned to a customer account that serves premises containing a
4 charging station for the retail sale of electricity to plug-in electric vehicles.

5 * * * Effective Dates * * *

6 Sec. 28. EFFECTIVE DATES

7 (a) Secs. 14 (repeal of 23 V.S.A. § 361(b) and (c)) and 16 (prospective
8 amendment of 30 V.S.A. § 8015) shall take effect on July 1, 2021.

9 (b) All other sections shall take effect on July 1, 2018.

10 and that after passage the title of the bill be amended to read: “An act relating
11 to appliance efficiency, energy planning, and electric vehicles”

12

13

14 (Committee vote: _____)

15

16

17

Senator _____

FOR THE COMMITTEE