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H.739

Senator MacDonald moves that the Senate propose to the House that the bill be amended by striking out Sec. 2 and inserting in lieu thereof a new Sec. 2 to read as follows:

Sec. 2. ENERGY SAVINGS ACCOUNT PILOT

(a) There is established a three-year pilot program commencing on July 1, 2019 with respect to the energy savings account (ESA) option under 30 V.S.A. § 209(d)(3)(B). To qualify for this program, a customer shall be a manufacturer that is an industrial electric ratepayer and a natural gas ratepayer whose purchases of regulated fuel exceeded 600,000 thousand cubic feet (MCF) in 2017 and whose combined energy efficiency charge payments in 2017 were at least \$500,000.00. The Public Utility Commission (Commission) shall have supervisory authority over this pilot program.

(b) Under this pilot program, a qualifying customer that opts to participate shall work with Efficiency Vermont (EVT) to develop an energy management plan to self-direct the use of its electric energy efficiency charge (EEC) funds. The pilot program established under this section shall be an expansion of the ESA option. Notwithstanding any contrary provision of 30 V.S.A. § 209(d)(3)(B) or (e)(2):

(1) A qualifying customer shall continue to pay its EEC and be able to receive an amount equal to 100 percent of its ESA account balance to pay for

1 the full cost of projects that are eligible under this subsection; for technical
2 assistance and other services from EVT; and for evaluation, measurement, and
3 verification activity conducted by the Department or EVT.

4 (2) A qualifying customer's electric EEC funds may be used for one or
5 more of the following: electric energy efficiency, thermal energy and process-
6 fuel efficiency for regulated and unregulated fuels as defined in 30 V.S.A.
7 § 209(d), energy productivity programs and measures as defined in 30 V.S.A.
8 § 209(j), demand management, and energy storage that provides benefits to the
9 customer and its interconnecting utility.

10 (c) Evaluation, measurement, and verification of projects implemented
11 under the pilot shall be consistent with the requirements of 30 V.S.A. § 218c.
12 EVT and the Department shall evaluate and verify the electricity savings of
13 each project funded under the pilot program with no less rigor than is required
14 by ISO-New England for its Forward Capacity Market (FCM) program.

15 (d) On completion of the pilot program, the Commission shall conduct or
16 shall have a third party conduct an independent evaluation of the program.

17 (1) The evaluation shall analyze and compare, among pilot participants
18 and companies of similar size outside the pilot: job creation and retention,
19 energy savings, total energy cost reductions, energy productivity measures,
20 amount of capital applied and leveraged, greenhouse gas reductions, and other

1 criteria as defined by the Commission. The evaluation shall also study the
2 effects of the pilot on other ratepayers.

3 (2) The evaluation shall provide electric system results for the pilot
4 program and compare them to the electric system results that would have been
5 obtained had each qualifying customer’s EEC Funds been expended pursuant
6 to the electric energy efficiency programs otherwise authorized under
7 30 V.S.A. § 209(d). In this subdivision, “electric system results” means: total
8 electric energy savings, total avoided cost of purchasing power, total avoided
9 costs of transmission and distribution improvements, and resulting FCM
10 program revenues.

11 (3) After considering the results of that evaluation, the Commission
12 shall submit a written recommendation to the General Assembly on whether to
13 continue the program conducted under this section and, if so, under what
14 recommended conditions and revisions, if any. The Commission shall submit
15 this recommendation on or before January 15, 2023.