



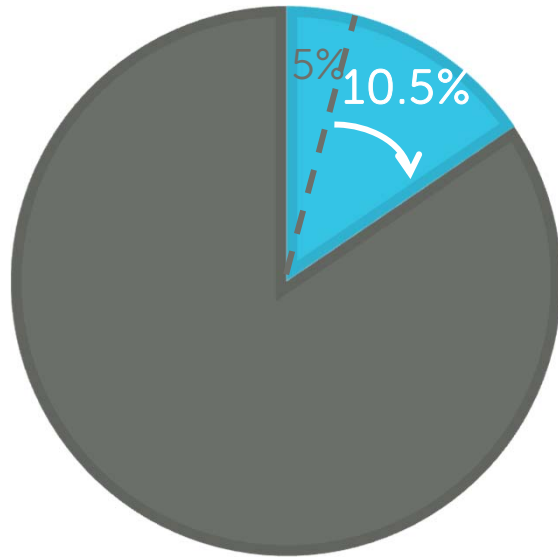
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H.739 Testimony

Abby White
Director of Communications

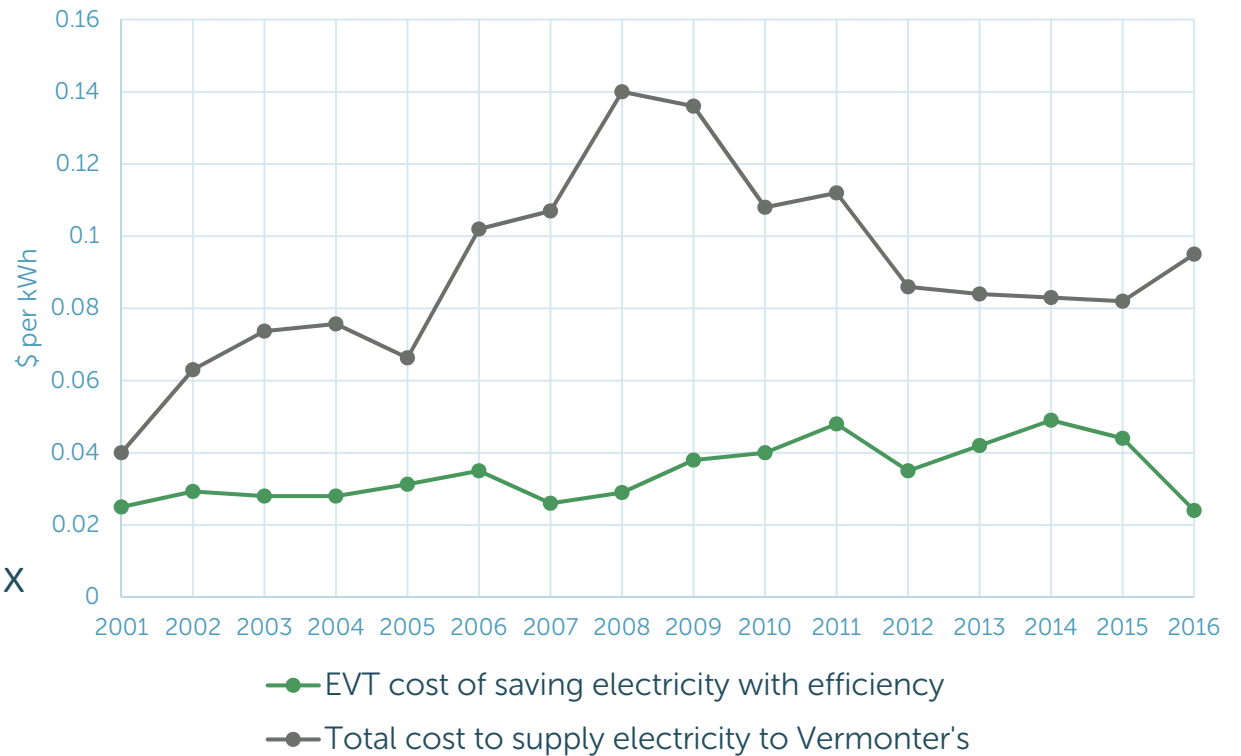


Our impact on energy resources



- Makes up 15.5% of energy mix
- Up from 5% a decade ago

Market Electricity Costs vs. Efficiency Vermont Costs, 2001-2016



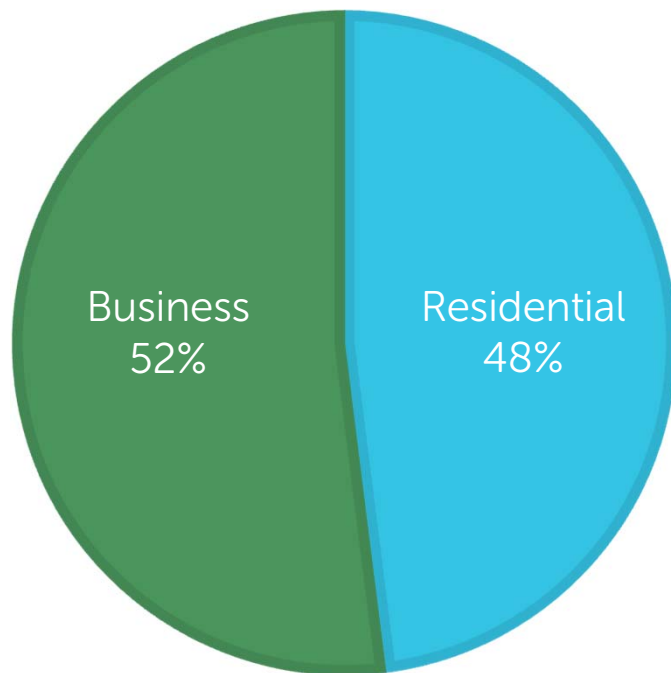
Sources: US Energy Information Administration, Efficiency Vermont's 2016 Annual Report.



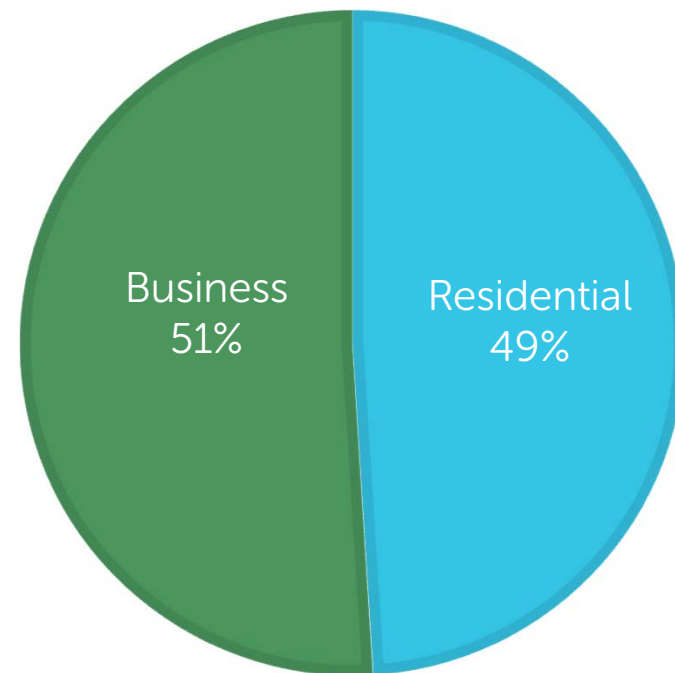
Electric Budget

2017 Total Electric Budget: \$55,067,249

REVENUE



SPENDING



Commercial & Industrial Sector

2016 Results

- 8,341 businesses served
- \$8.8 first-year savings
- \$58.4 million lifetime savings

Services

- Account management
- Energy management and engineering
- Standard rebates on HVAC, refrigeration, lighting, and other technologies
- Custom incentives
- Sector-specific strategies
- Financing



The energy efficiency charge

Customer Class	2017 EEC Rate Per kWh	2018 EEC Rate Per kWh
Residential	\$0.01400	\$0.01413
Commercial	\$0.01192	↓ 8.4% \$0.01091
Industrial	\$0.00866	↓ 11% \$0.00770
Commercial (with demand charge)	\$0.00772 per kWh plus \$1.2436/kW	\$0.00707 per kWh plus \$1.1383/kW
Industrial (with demand charge)	\$0.00584 per kWh plus \$1.3875/kW	\$0.00522 per kWh plus \$1.2132/kW
Unmetered Street/Security Lights	\$0.0119/kWh	\$0.0109/kWh

Best practices in self-direct

- Customer savings continue to be grid resources.
 - Large users continue to pay in.
 - Savings are measured and verified to same levels of rigor.
- Self-direct options fit within a broader C&I portfolio.
- Customers gain flexibility in use of funds over a longer period of time.
- EEUs and customers form tight collaborations in creating energy management plans, strategies, and staff capacity.
- Cost-effectiveness can be defined at the customer or portfolio level.
- Customers can see the status of their dedicated funds.
- Funds can be used for capital expenses, project costs, technical assistance, EM&V, and other services.

Source: ACEEE, Self-Direct Options for Energy Efficiency Programs, 2016

Benefits of H739, ESA Partnership Pilot

- Customers:
 - Flexibility to address more comprehensive or costly energy needs
 - Certainty and longer-term planning
 - Access the equivalent of 100% of EEC payments
 - Upfront payments (based on plan and available funds)
 - Stronger energy management capabilities
- Vermont's energy system:
 - Savings continue to be grid resources
 - Customer savings are bid into FCM
 - EEU budget is unaffected

Financial impacts of ESA pilot

- No EEC rate or budget impacts
- Potentially less electric efficiency and more thermal efficiency, depending upon projects
 - Underscores need for energy management plans
- Tighter competition for thermal funds
 - Need to meet existing performance requirements for low-income and residential
- FCM annual revenue
 - \$0 to \$62,000 reduction
 - Depends upon scope of projects

Impacts of SMEEP amendments

- EEC budget reduced by \$150,000 per year
- FCM reductions of \$13,000 per year (if we do not continue to bid in Omya savings)
- PUC to minimize EEC rate impacts for other customers
- Potentially less energy efficiency (at the \$500K threshold)

Thank you

Abby White

a.white@efficiencyvermont.com