

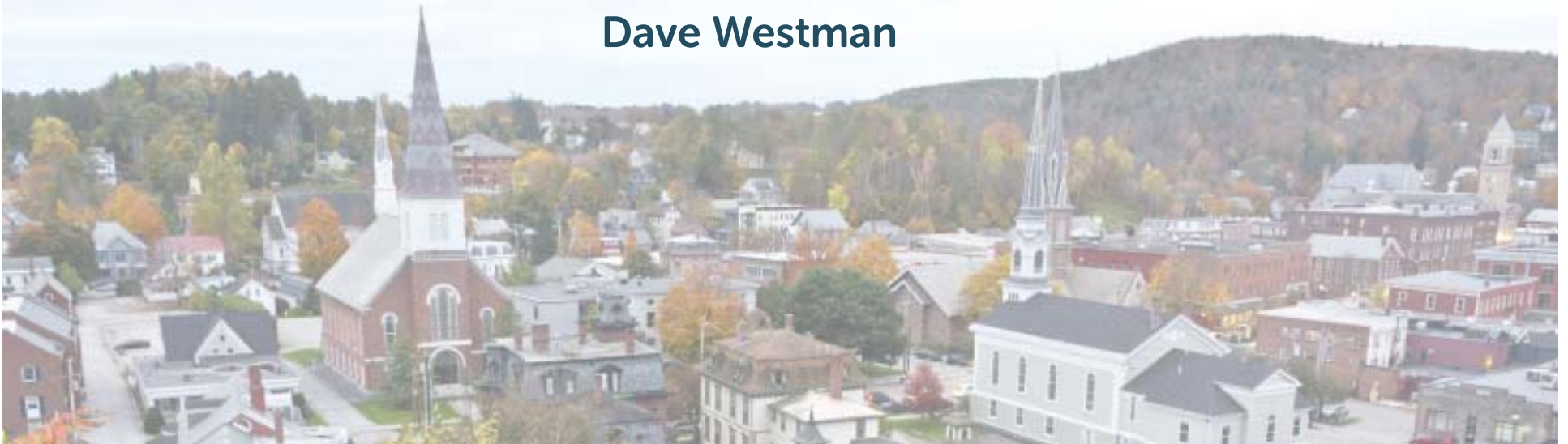
Oversight, Budget, and Results

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Overview

- Background
- Accountability and oversight
- Budget
- Results
- What's new in 2019

Background

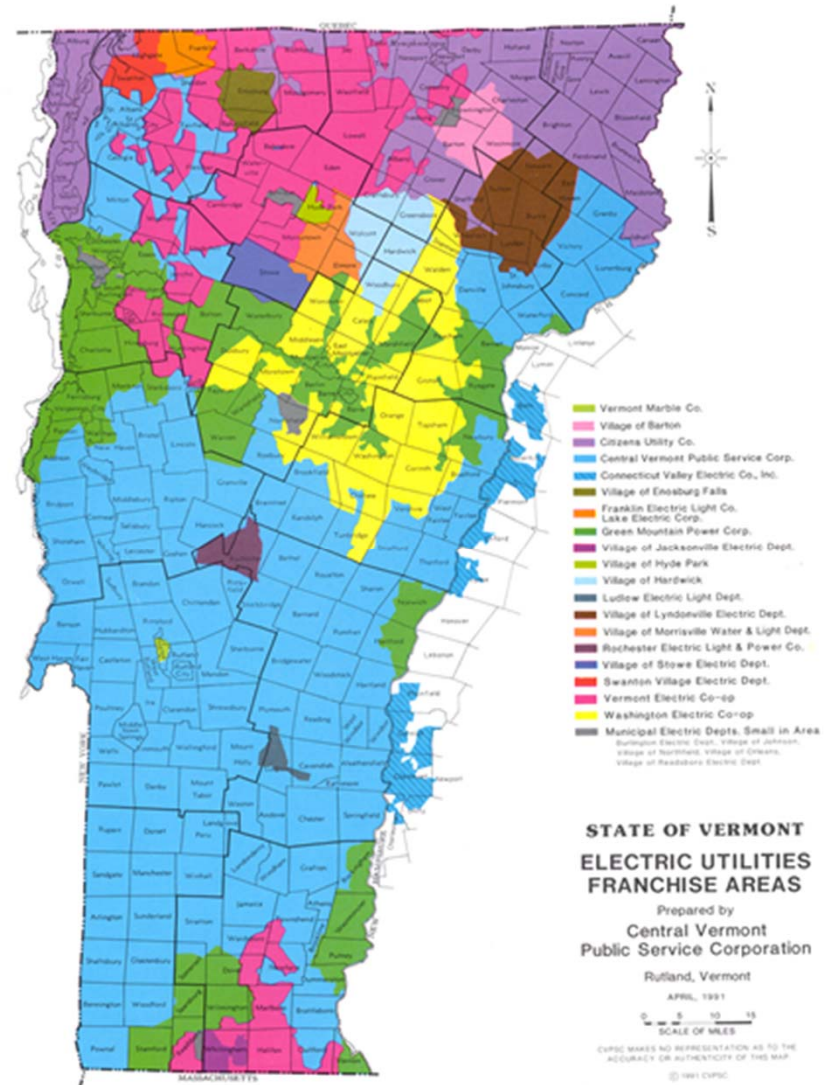
Who We Are

- Performance-based energy efficiency utility
- Electric and thermal efficiency
- Founded in 2000
- Administered by VEIC, regulated by the PUC
- Serve all Vermonters: homeowners, renters, businesses, towns, communities, and more



History of Efficiency

- 1999: Efficiency services provided across 22 utilities
- Electric and gas utilities required to provide “least cost” services
- EEU model represented:
 - Performance-based approach
 - Scale to influence regional and national players
 - Statewide equity
 - Ratepayer transparency
 - Single focus on saving customers money



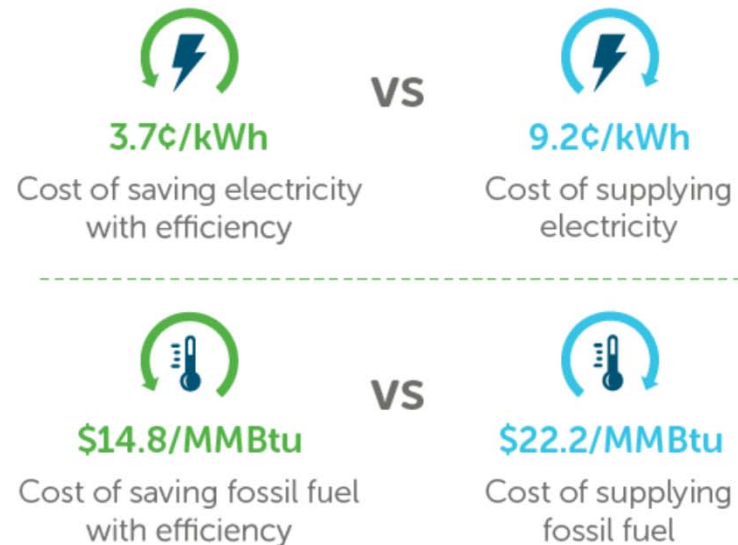
The Economic Value

Efficiency comprises 16% of VT's electric portfolio, delivered at less than half the cost of purchasing new power.



16.2%

Percentage of Vermont's 2018 electric needs met by efficiency



Accountability and Oversight

Electric Efficiency Statute

30 VSA § 218c

- Requires comprehensive, cost effective energy efficiency programs “to acquire the full amount of cost-effective savings”

30 VSA § 209(d)

- Public Service Board appoints energy efficiency utility (EEU) to deliver efficiency programs in multiple service territories
- Board to establish performance goals, budget, and energy efficiency charge rate “to achieve all reasonably available, cost-effective energy efficiency savings”

Thermal Efficiency Statute

30 VSA § 255

- Directs proceeds from RGGI into the Electric Efficiency Fund to be used by appointed energy efficiency utilities in order to deliver heating and process-fuel energy efficiency services.

30 VSA § 209(e)

- Directs revenues from the ISO-NE Forward Capacity Market into the Electric Efficiency Fund for thermal efficiency and process fuel efficiency services.

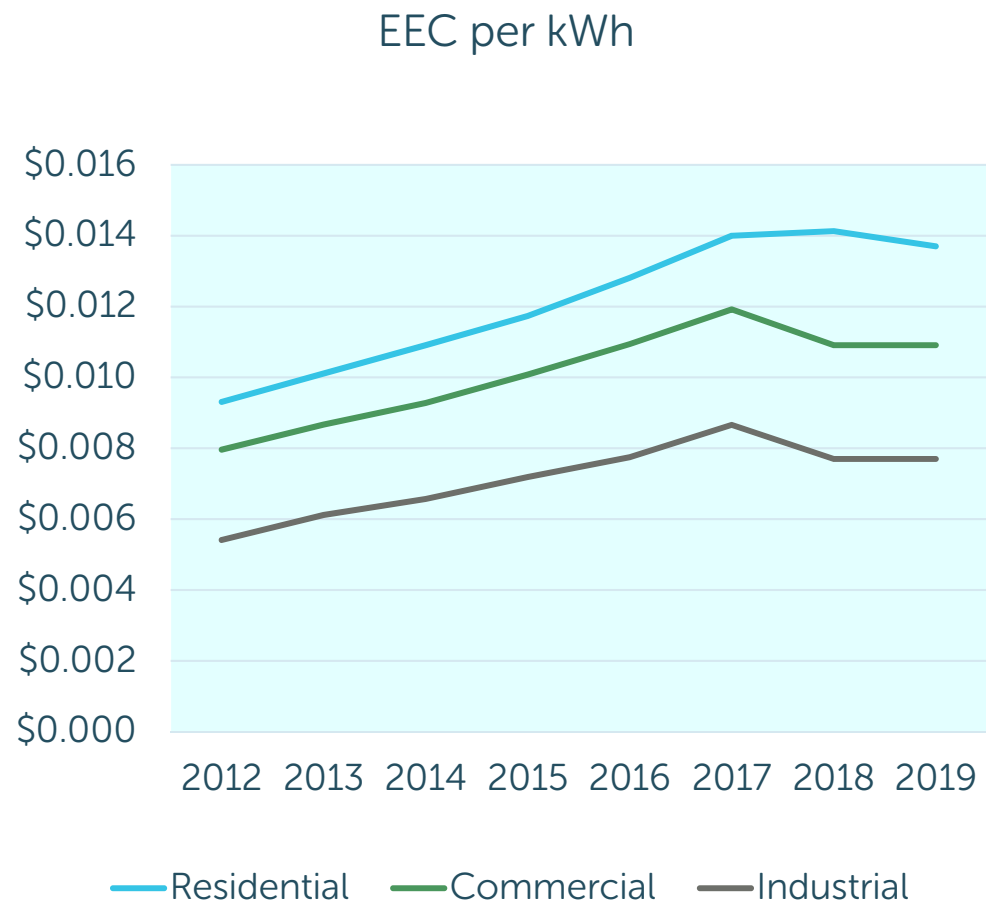
Performance-based Regulation

- PUC establishes goals and budgets
 - 20-25 Quantitative Performance Indicators, thermal and electric
 - Energy and peak (kW) demand reduction
 - Low-income
 - Geographic equity
 - Approves Triennial Plan and annual updates
- EVT operates under 3-year performance periods, an 11-year Order of Appointment
- Overall Performance Assessment every 6 years
- DPS reviews expenses and savings claims
- Third-party evaluator assesses savings claims

Electric Efficiency Charge

Criteria PUC uses to set EEC rate:

- Reduce size of future power purchases
- Reduce greenhouse gas emissions
- Limit the need for upgrades to electric transmission and distribution infrastructure
- Minimize the cost of electricity



Current PUC Proceedings

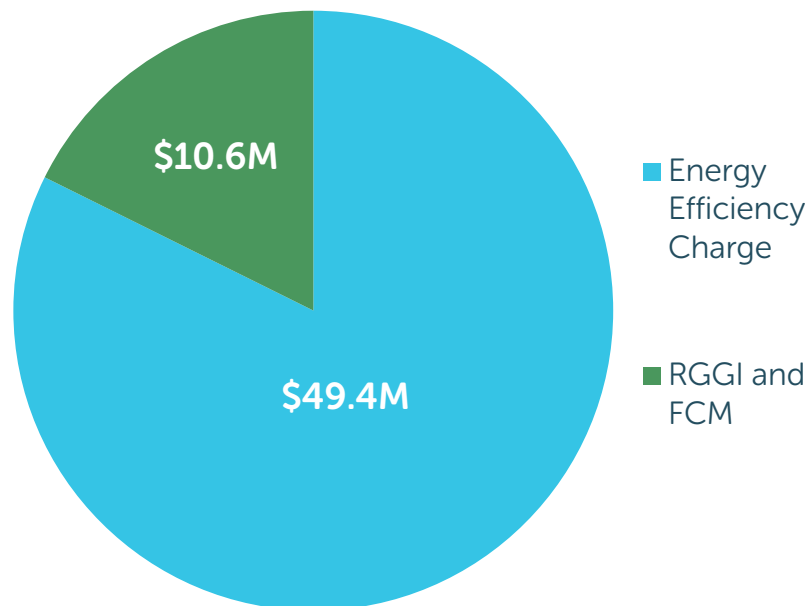
- 18-2867: EEU Regulation
- 18-2660: Electric Vehicle adoption and infrastructure study
- 19-0302: Energy Savings Account Pilot
- 19-0397: Avoided Costs of Energy Efficiency
- 19-xxxx: Demand Resource Plan (2021-2023)*

**Expected to start later in 2019*

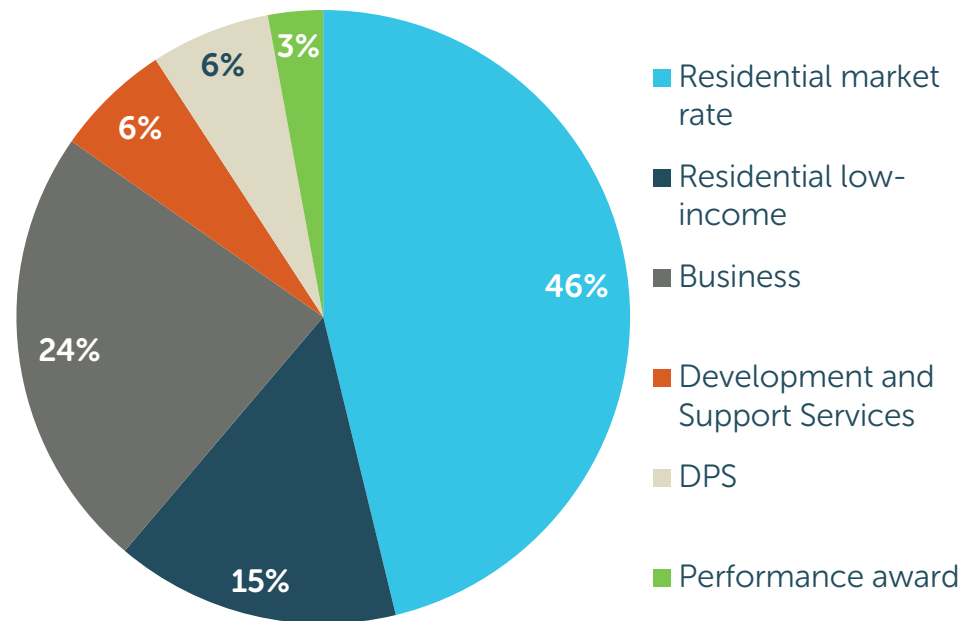
Budget and Performance

2018 Budget

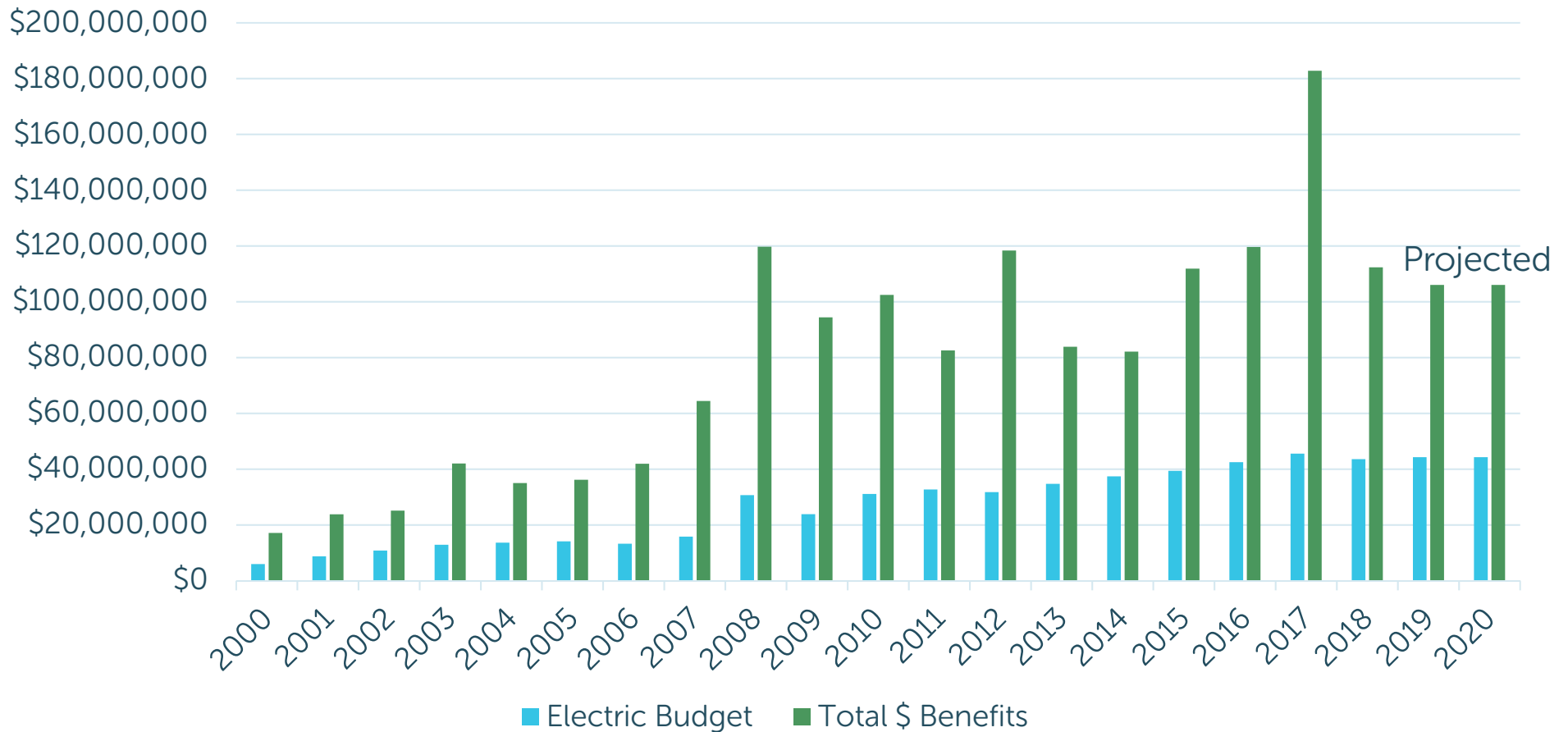
Sources of Funds (\$)



Uses of Funds (%)

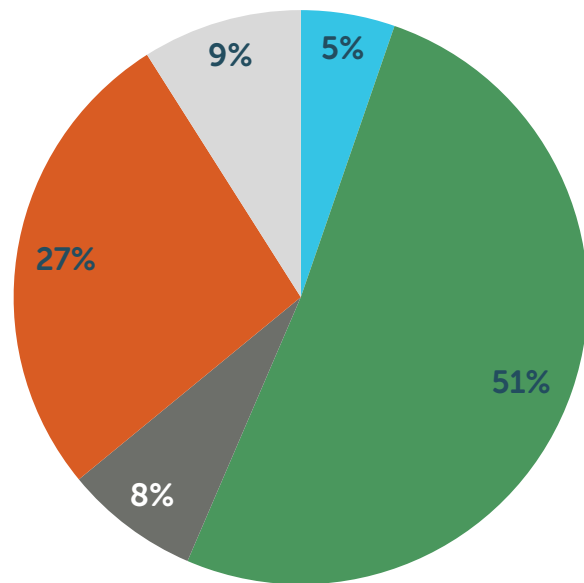


Budgets Compared to Savings



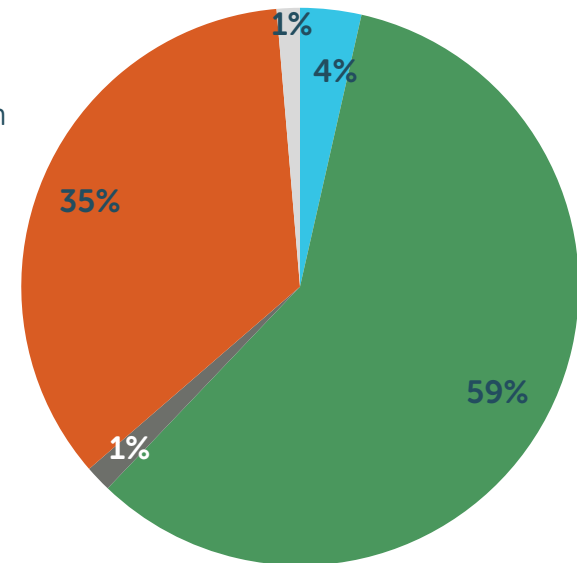
Electric Summary

2018 Electric Budget
Total \$43.5M



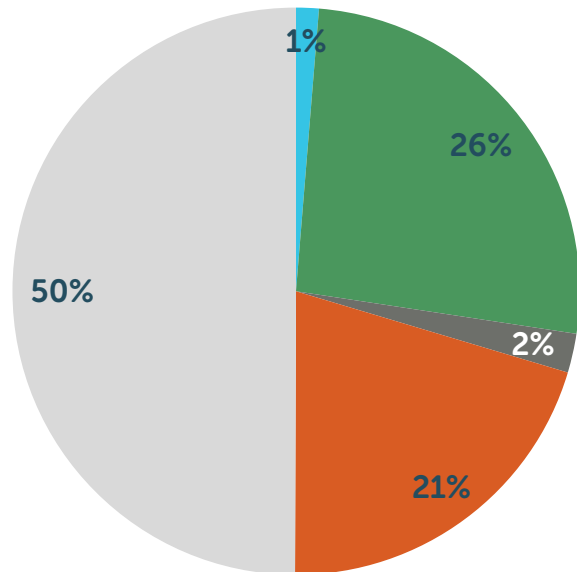
- Business New Construction
- Business Existing Facilities
- Residential New Construction
- Efficient Products
- Existing Homes

2018 Electric Savings
(MWH)



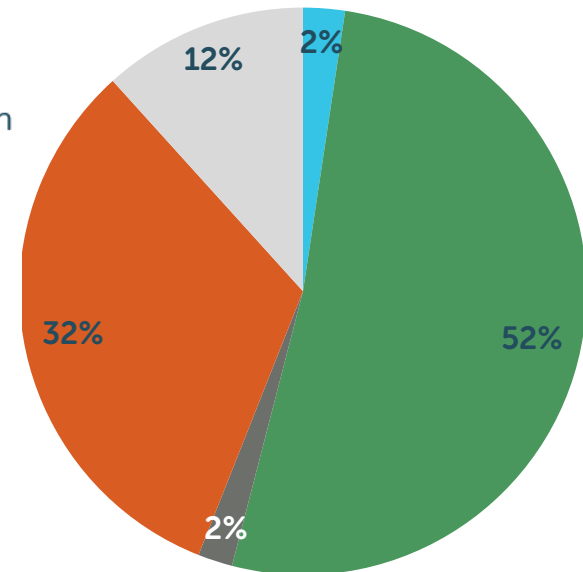
Thermal Summary

2018 Thermal Budget
Total \$8.8M



- Business New Construction
- Business Existing Facilities
- Residential New Construction
- Efficient Products
- Existing Homes

2018 Thermal Savings
(MMBTU)



Results



Results Since 2000



\$2.4 billion
saved by
Vermonters

The amount Vermonters
will save in energy and
water costs over the
lifetime of their 2000- 2018
investments in efficient
equipment and building
improvements



17.7 million mWh
saved

The electricity it takes to
power 184 thousand homes
for 10 years



25 million MMBtu
saved

The fuel it takes to heat
28 thousand homes for 10 years



11 million
metric tons CO₂
avoided



The equivalent of
242 thousand
fewer cars
for 10 years

Statewide Benefits



Addison	4,827	Lamoille	4,477
Bennington	10,374	Orange	3,335
Caledonia	4,354	Orleans	5,235
Chittenden	29,518	Rutland	13,875
Essex	407	Washington	11,615
Franklin	6,479	Windham	6,018
Grand Isle	1,026	Windsor	7,645

Customer Story



"We've been extremely pleased to work with Efficiency Vermont to reduce energy use within our mill."

Dan Turcotte,
Maintenance Manger
Blue Seal, Richford, VT

Savings

\$117,000 per year

530,000 kWh per year

3,460 MMBtu per year

Economic Impact



We have completed projects with all 16 Vermont hospitals over the past five years.

Hospital Sector Lifetime Savings

\$63 Million

461,000 MWh

Non-energy benefits

Water savings

Indoor air-quality

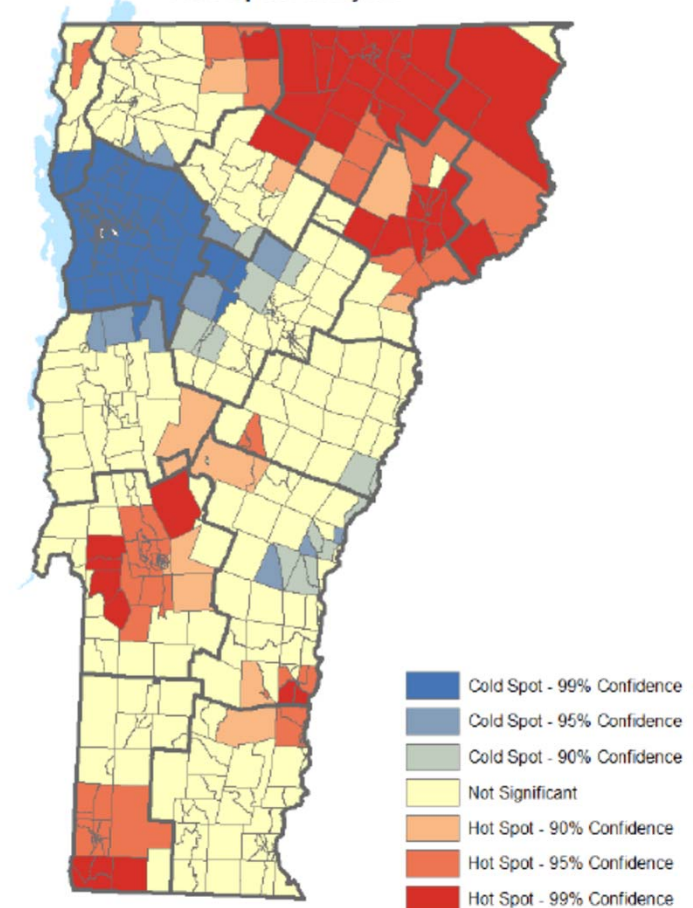
Patient comfort

What's New in 2019

The Times Are Changing

- Energy
 - Efficiency continues to reduce bills and lower costs
 - Time and location matter
 - Need to better integrate renewables, electrification, and efficiency
- Community
 - Substantive demographic and economic challenges
 - Need to deliver value to all ratepayers, with focus on low- and moderate-income and rural counties

Total Energy Burden (% Median Income)
Hot Spot Analysis



We Are Changing Too

- Operational Efficiency
 - Flat budgets 2018-2020, flat or declining EEC rate
 - Additional \$2.3M cost reduction in 2018, plan to return to ratepayers
 - 7% reduction in workforce in 2018
 - 16% decrease in administrative costs from 2016-2018
- Customer Value
 - Focusing on low income and small business
- Partnerships
 - Working together to help Vermonters



Thank you

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