

VPPSA Comments on H. 63

Vermont Public Power Supply Authority

Melissa Bailey

Legislative and Regulatory Affairs Representative

m Bailey@vppsa.com

802-882-8509

VPPSA Values

- ▶ Provide Benefits at the Lowest Cost to Ratepayers
 - ▶ Evaluate and consider alternatives
- ▶ Fairness Among Ratepayers
 - ▶ Link between those that benefit and those that pay costs
- ▶ Promote Local Decision-making
 - ▶ Local utilities delivering Tier 3 programs



Section 6 - Considerations

- ▶ Redirecting funds could help with an unmet need for weatherization services for moderate income Vermonters.
- ▶ Allows funds collected from electric ratepayers to be used for thermal efficiency - cross-subsidy.
 - ▶ Breaks link of systems benefits charge on which EEC was premised.
- ▶ Requires regulated electric sector to cover the costs of thermal efficiency.
 - ▶ “Taxes” the commodity we want people to use more of.
- ▶ Presupposes EVT is best entity to deliver services and EEC is funding mechanism without studying the issue.
 - ▶ May be more effective, lower cost alternatives.



Section 6 - Revisions

- ▶ VPPSA supports reallocation of some EEC funds as a temporary solution provided:
 - ▶ Limited to funds made available from *operational efficiencies*
 - ▶ Redirected funds are *only* spent on moderate-income weatherization services.
 - ▶ This is the unfunded need.
 - ▶ Other TEPF projects will likely compete with utilities' Tier 3 projects.
 - ▶ Two “priorities” in the bill may conflict.
 - ▶ There is some requirement to spend equitably among utilities to minimize cost-shifting.



Section 7 - Recommendations

- ▶ VPPSA supports PUC study to promote availability of comprehensive efficiency services for Vermonters.
- ▶ An “all fuels efficiency program” should not be the focus of the study.
 - ▶ Already many entities (regulated and unregulated) delivering efficiency programs across all fuels.
 - ▶ EVT TEPF Budget
 - ▶ Utilities’ Tier 3 Programs
 - ▶ Weatherization Assistance Programs, NeighborWorks, etc.
- ▶ Focus instead on identifying gaps in services and identifying appropriate funding mechanism.

