March 29, 2019

Efficiency Vermont 2019 Update

Rebecca Foster, Director

Overview

- Background
- Operational Efficiency
- Customer Value
- Partnerships
- Energy Savings Account Pilot

Efficiency Vermont

Who We Are

- Performance-based energy efficiency utility
- Founded in 2000
- Administered by VEIC, regulated by the PUC
- Provide electric and thermal efficiency services to homeowners and businesses

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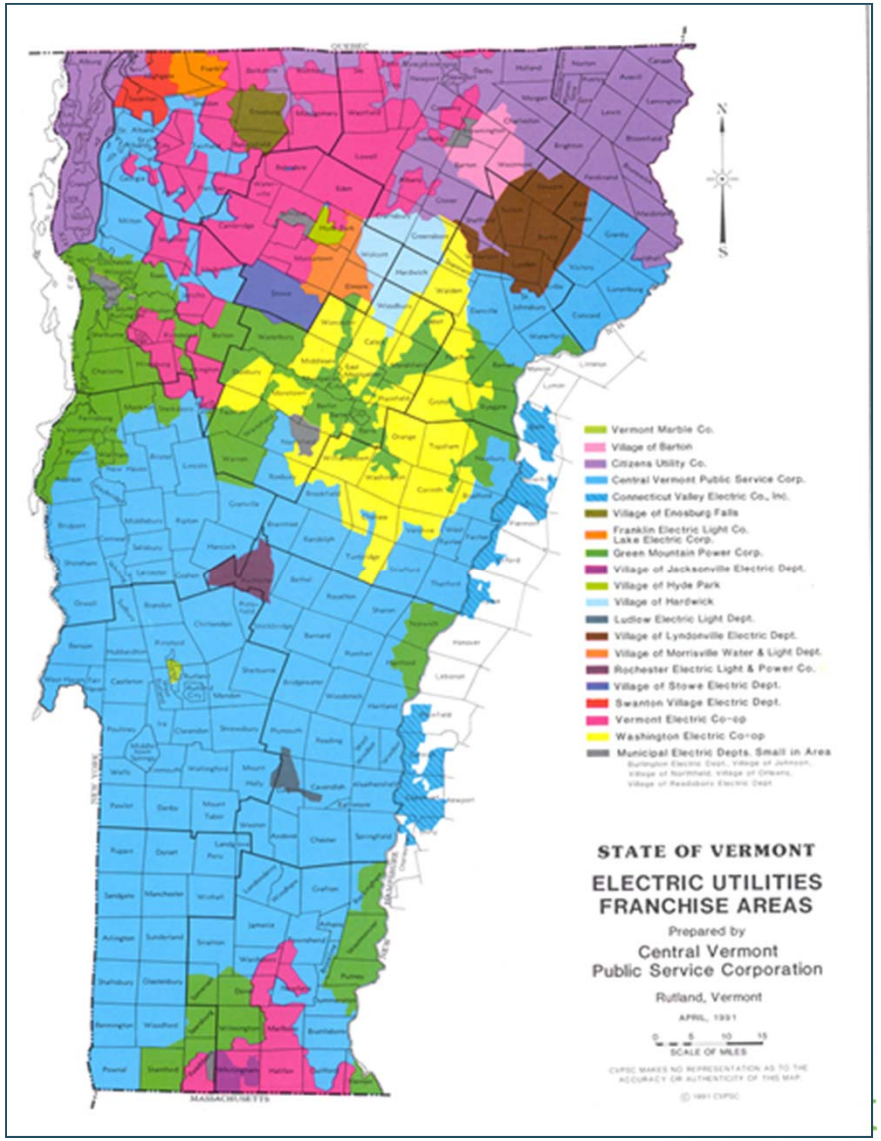
History of Efficiency

- Efficiency services provided across 22 utilities, circa 1999
- Electric and gas utilities required to provide "least cost" services
- EEU model represented:
  - Transparency
  - Statewide equity
  - Independence
  - Performance-based approach



Efficiency Works

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

The Saving Power of Efficiency

3.6¢/kWh[5]

Cost of saving electricity with efficiency

vs

8.4¢/kWh

Cost of supplying electricity

$16.56/MMBtu[6]

Cost of saving fossil fuel with efficiency

vs

$18.08/MMBtu

Cost of supplying fossil fuel

Source: Efficiency Vermont's 2017 Annual Report

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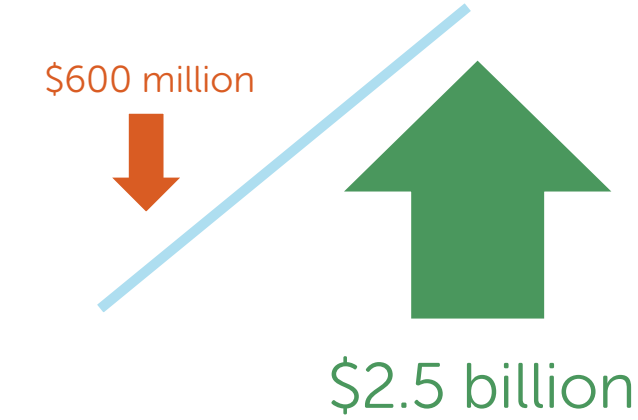
Efficiency Works



Since 2000, Efficiency Vermont has:

- Generated $2.5 billion in energy savings, using $600 million in ratepayer funds

- Removed 12.5 billion in metric tons of GHG, equivalent of removing 2,660,065 cars from the road for a year

Source: Efficiency Vermont's Annual Reports

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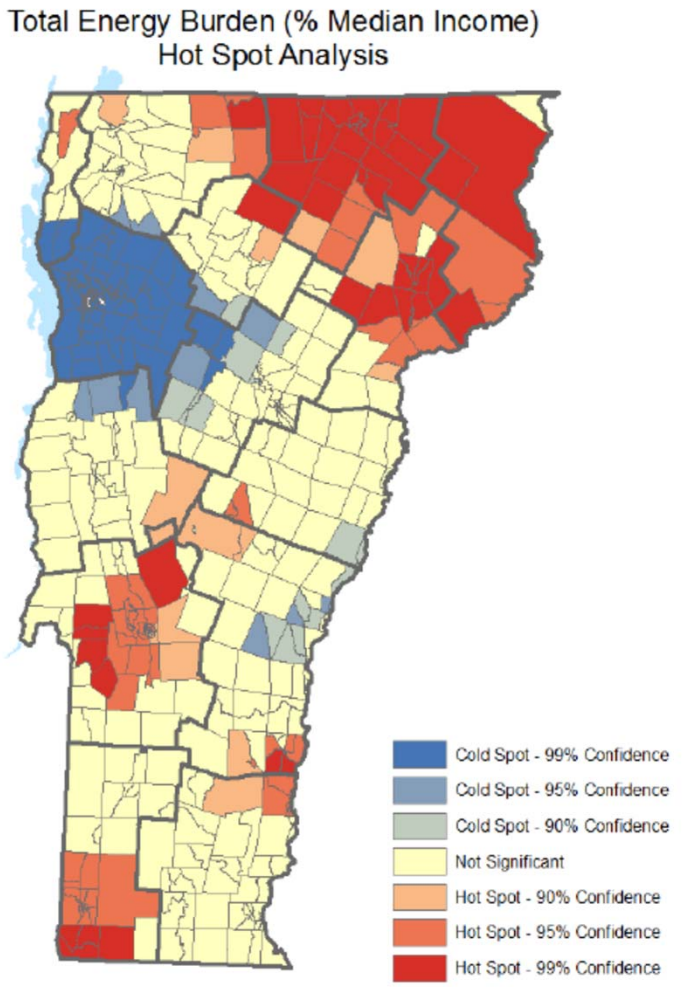
The Times Are Changing

- Energy
  - Efficiency continues to reduce bills, lower system costs, and reduce GHG emissions
  - Need to use data and analytics to better integrate renewables, storage, demand response, EVs, etc.
- Community
  - Substantive demographic and economic challenges
  - Need to deliver value to all ratepayers, with focus on low- and moderate-income and rural counties



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We are Changing Too

- Operational Efficiency
- Customer Value
- Partnerships

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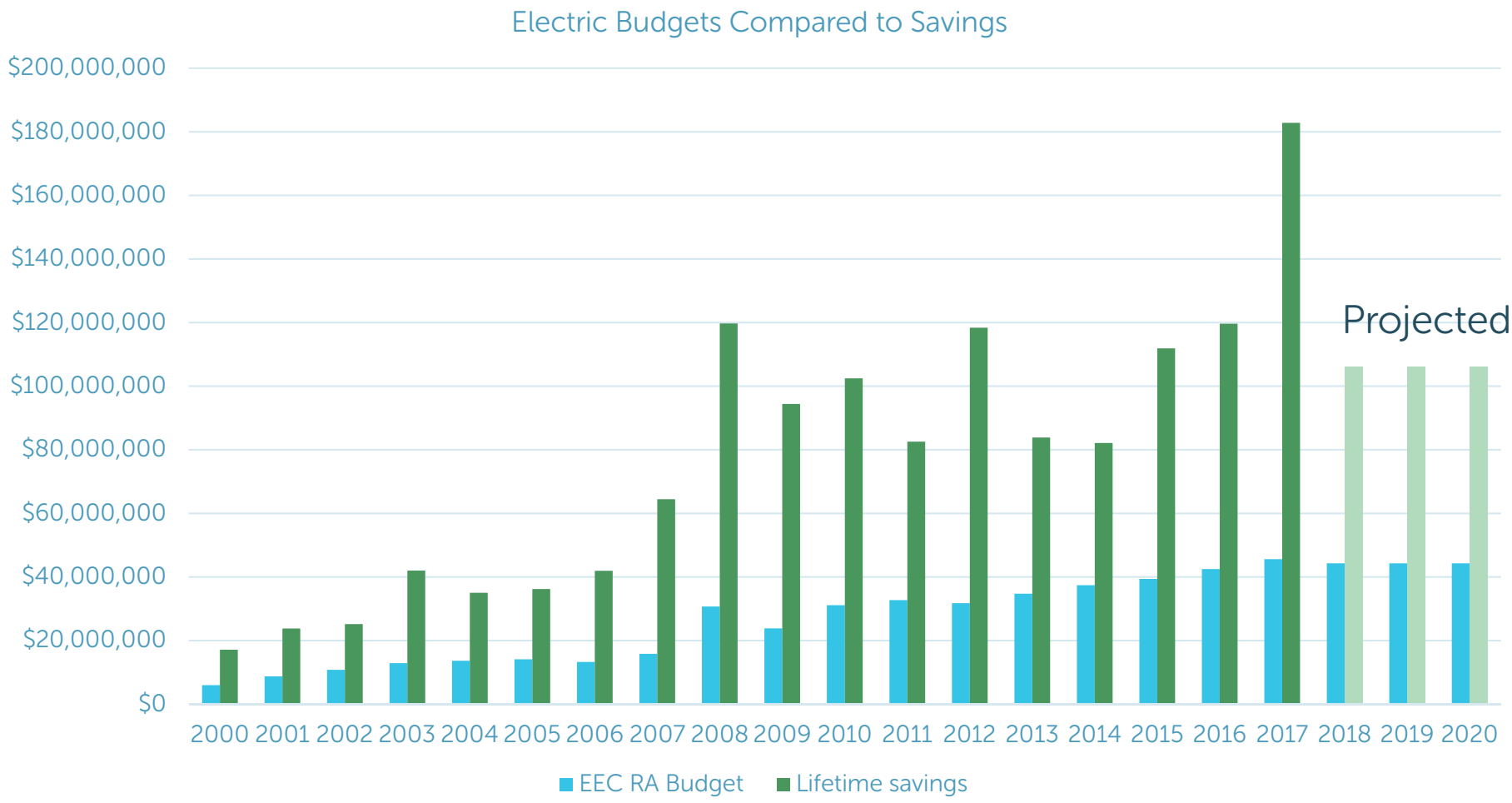
Operational Efficiency



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Customer Value

- Serve a broader group of Vermonters
  - Small-medium businesses
  - Low- and moderate-income residents
- Address emerging energy needs through partnerships
  - Ensure electrification is efficient
  - Demand response and load management
  - Weatherization pilot

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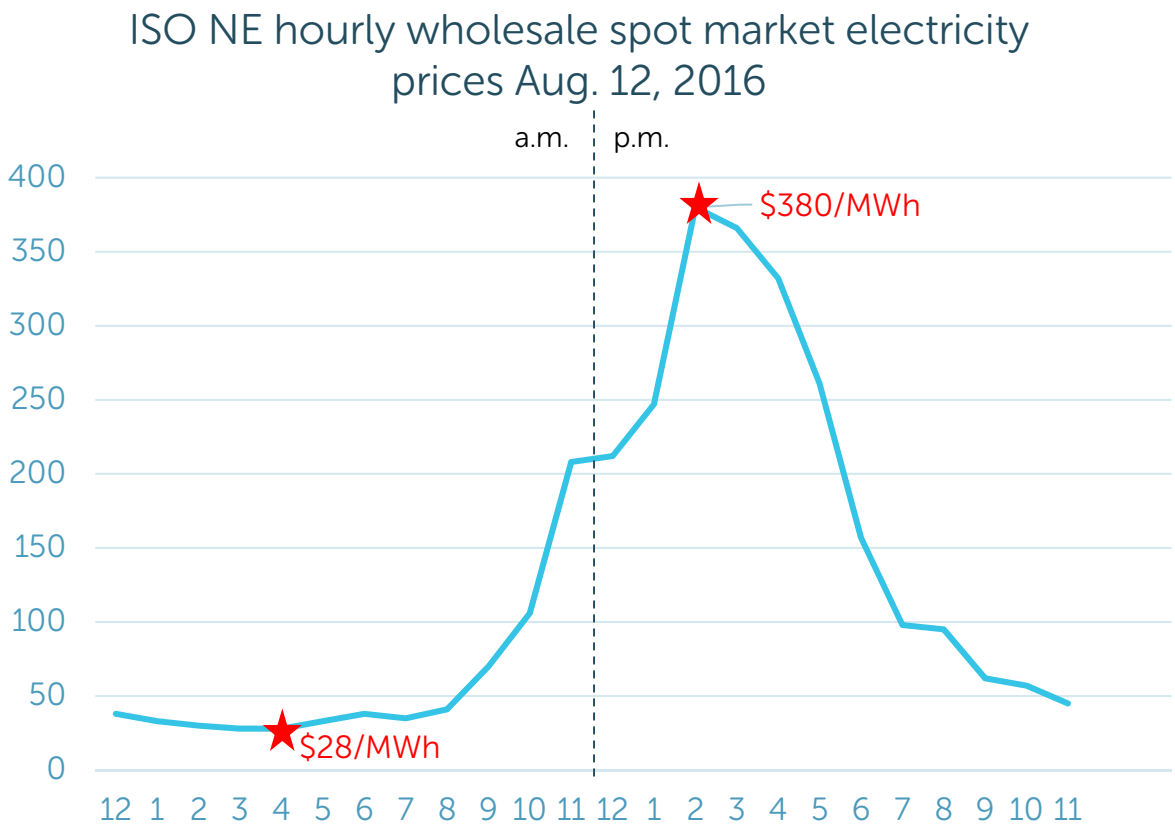
Partnerships

Brattleboro Retreat: Partnered with GMP and Dynamic Organics to save $20,000 annually through ice storage.



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Act 150 – Self-managed Energy Efficiency

- Enables flexibility in service to large energy users
- Created an Energy Savings Account Pilot
  - 3 years
  - Up to $2M total in EEC contributions
  - Projects can include efficiency, demand response, storage, and productivity
  - Must be established by PUC Rule
- Progress to date
  - PUC issued Order to develop the program
  - Conducted RFI to test interest: 22 responses
  - Program design underway: criteria for selection, accounting procedures, EM&V, reporting, etc.
  - RFP to be issued in May
  - Companies selected and named by August

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What's Next

- Participating in PUC proceeding on EEU regulations
- Planning for 2021-2024 program cycle – new metrics, new measures?

- Conversation at PUC
  - –Operational Efficiency: Help us reduce costs by paring down the verification of savings
  - –Customer Value: Rethink geographic equity & allow us to do more to help low-income Vermonters
  - –Partnerships: Enable shared goals so that we can work with the utilities to meet customers' needs instead of operating in silos

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Thank you!

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