

TO THE HONORABLE SENATE

The Committee on Natural Resources and Energy to which was referred House Bill No. H. 63, entitled “An act relating to the time frame for return of unclaimed beverage container deposits”

respectfully reports that it has considered the same and recommends that the Senate propose to the House to amend the bill by striking out all after the enacting clause and inserting in lieu thereof the following:

* * * Weatherization; Building Energy Labeling and Benchmarking * * *

Sec. 1. FINDINGS

The General Assembly finds that for the purposes of Secs. 1–7 of this act:

(1) Pursuant to 10 V.S.A. § 578, it is the goal of Vermont to reduce greenhouse gas emissions from the 1990 baseline by 50 percent by January 1, 2028, and, if practicable, by 75 percent by January 1, 2050. Pursuant to 10 V.S.A. § 581, it is also the goal of Vermont to improve the energy fitness of at least 20 percent (approximately 60,000 units) of the State’s housing stock by 2017, and 25 percent (approximately 80,000 units) by 2020, thereby reducing fossil fuel consumption and saving Vermont families a substantial amount of money.

(2) The State is failing to achieve these goals. For example, Vermont’s greenhouse gas emissions have increased 16 percent compared to the 1990 baseline.

(3) Approximately 24 percent of the greenhouse gas emissions within Vermont stem from residential and commercial heating and cooling usage. Much of Vermont’s housing stock is old, inadequately weatherized, and therefore not energy efficient.

(4) The Regulatory Assistance Project recently issued a report recommending two strategies to de-carbonize Vermont and address climate change. First, electrifying the transportation sector. Second, focusing on substantially increasing the rate of weatherization in Vermont homes and incentivizing the adoption of more efficient heating technologies such as cold climate heat pumps.

(5) Although the existing Home Weatherization Assistance Program assists Vermonters with low income to weatherize their homes and reduce energy use, the Program currently weatherizes approximately 850 homes a year. This rate is insufficient to meet the State’s statutory greenhouse gas reduction and weatherization goals.

(6) Since 2009, proceeds from the Regional Greenhouse Gas Initiative (RGGI) and the Forward Capacity Market (FCM) have been used to fund thermal efficiency and weatherization initiatives by Efficiency Vermont, under the oversight of the Public Utility Commission (PUC). Approximately 800

Vermont homes and businesses are weatherized each year under a market-based approach that utilizes 50 participating contractors. Efficiency Vermont and the contractors it works with have the capacity to substantially increase the number of projects undertaken each year.

(7) A multipronged approach is necessary to address these issues. The first part will establish a statewide voluntary program for rating and labeling the energy performance of buildings to make energy use and costs visible for buyers, sellers, owners, lenders, appraisers, and real estate professionals. The second part will allow Efficiency Vermont to use unspent funds to weatherize more homes and buildings. The third part will ask the Public Utility Commission to undertake a proceeding to examine whether to recommend to the General Assembly the creation of an all-fuels energy efficiency program, the expansion of the services that efficiency utilities may provide, and related issues.

Sec. 2. 30 V.S.A. chapter 2, subchapter 2 is added to read:

Subchapter 2. Building Energy Labeling and Benchmarking

§ 61. DEFINITIONS

As used in this subchapter:

(1) “Benchmarking” means measuring the energy performance of a single building or portfolio of buildings over time in comparison to other similar buildings or to modeled simulations of a reference building built to a specific standard such as an energy code.

(2) “Commercial Working Group” means the Commercial and Multiunit Building Energy Labeling Working Group established by subsection 62(b) of this title.

(3) “Commission” means the Public Utility Commission.

(4) “Department” means the Department of Public Service.

(5) “Distribution company” means a company under the jurisdiction of the Commission that distributes electricity or natural gas for consumption by end users.

(6) “Energy efficiency utility” means an energy efficiency entity appointed under subdivision 209(d)(2) of this title.

(7) “Energy label” means the visual presentation in a consistent format of an energy rating for a building and any other supporting and comparative information. The label may be provided as a paper certificate or made available online, or both.

(8) “Energy rating” means a simplified mechanism to convey a building’s energy performance. The rating may be based on the operation of

the building or modeled based on the building's assets.

(9) "Home energy assessor" means an individual who assigns buildings a home energy performance score using a scoring system based on the energy rating.

(10) "Multiunit building" means a building that contains more than one independent dwelling unit or separate space for independent commercial use, or both.

(11) "Residential Working Group" means the Residential Building Energy Labeling Working Group established by subsection 62(a) of this title.

(12) "Unit holder" means the tenant or owner of an independent dwelling unit or separate space for independent commercial use within a multiunit building.

§ 62. BUILDING ENERGY WORKING GROUPS

(a) Residential Working Group. There is established the Residential Building Energy Labeling Working Group.

(1) The Residential Working Group shall consist of the following:

(A) the Commissioner of Public Service (Commissioner) or designee;

(B) an expert in the design, implementation, and evaluation of programs and policies to promote investments in energy efficiency who is not a member of an organization described elsewhere in this subsection, appointed by the Commissioner;

(C) a representative of each energy efficiency utility, chosen by that efficiency utility;

(D) the Director of the State Office of Economic Opportunity or designee;

(E) a representative of Vermont's community action agencies appointed by the Vermont Community Action Partnership;

(F) a representative, with energy efficiency expertise, of the Vermont Housing and Conservation Board, appointed by that Board;

(G) a building performance professional, appointed by the Building Performance Professionals Association;

(H) a representative of the real estate industry, appointed by the Vermont Association of Realtors; and

(I) such other members with expertise in energy efficiency, building design, energy use, or the marketing and sale of real property as the Commissioner may appoint.

(2) The Residential Working Group shall advise the Commissioner in the development of informational materials pursuant to section 63 of this title.

(b) Commercial Working Group. There is established the Commercial and Multiunit Building Energy Labeling Working Group.

(1) The Commercial Working Group shall consist of the following:

(A) the Commissioner or designee;

(B) an expert in the design, implementation, and evaluation of programs and policies to promote investments in energy efficiency who is not a member of an organization described elsewhere in this subsection, appointed by the Commissioner;

(C) a representative of each energy efficiency utility, chosen by that efficiency utility;

(D) the Director of the State Office of Economic Opportunity or designee;

(E) a representative of Vermont's community action agencies, appointed by the Vermont Community Action Partnership;

(F) a representative, with energy efficiency expertise, of the Vermont Housing and Conservation Board, appointed by that Board; and

(G) such other members with expertise in energy efficiency, building design, energy use, or the marketing and sale of real property as the Commissioner may appoint.

(2) The Commercial Working Group shall advise the Commissioner in the development of forms pursuant to section 64 of this title.

(c) Co-chairs. Each working group shall elect two co-chairs from among its members.

(d) Meetings. Meetings of each working group shall be at the call of a co-chair or any three of its members. The meetings shall be subject to the Vermont Open Meeting Law and 1 V.S.A. § 172.

(e) Vacancy. When a vacancy arises in a working group created under this section, the appointing authority shall appoint a person to fill the vacancy.

(f) Responsibilities. The Working Groups shall advise the Commissioner on the following:

(1) requirements for home assessors, including any endorsements, licensure, and bonding required;

(2) programs to train home energy assessors;

(3) requirements for reporting building energy performance scores given

by home energy assessors and the establishment of a system for maintaining such information;

(4) requirements to standardize the information on a home energy label;
and

(5) other matters related to benchmarking, energy rating, or energy labels for residential, commercial, and multiunit buildings.

§ 63. DISCLOSURE OF INFORMATIONAL MATERIAL; SINGLE-FAMILY DWELLINGS

(a) Disclosure. For a contract for the conveyance of real property that is a single-family dwelling, executed on or after January 1, 2020, the seller shall, within 72 hours of the execution, provide the buyer with informational materials developed by the Department in consultation with the Residential Working Group. These materials shall include information on:

(1) resources for determining home energy use and costs for Vermont homes and opportunities for energy savings;

(2) available voluntary tools for energy rating and energy labels; and

(3) available programs and services in Vermont related to energy efficiency, building energy performance, and weatherization.

(b) Marketability of title. Noncompliance with the requirements of this section shall not affect the marketability of title of a property.

(c) Penalty; liability. Liability for failure to provide the informational materials required by this section shall be limited to a civil penalty, imposed by the Public Utility Commission under section 30 of this title, of not less than \$25.00 and not more than \$250.00 for each violation.

§ 64. MULTIUNIT BUILDINGS; ACCESS TO AGGREGATED DATA

(a) Obligation; aggregation and release of data. On request of the owner of a multiunit building or the owner's designated agent, each distribution company and energy efficiency utility shall aggregate monthly energy usage data in its possession for the unit holders in the building and release the aggregated data to the owner or agent. The aggregated data shall be anonymized.

(1) Under this section, the obligation to aggregate and release data shall accrue when the owner or agent:

(A) Certifies that the request is made for the purpose of benchmarking or preparing an energy label for the building.

(B) With respect to a multiunit building that has at least four unit holders, provides documentation certifying that, at least 14 days prior to

submission of the request, each unit holder was notified that the energy usage data of the holder was to be requested and that this notice gave each unit holder an opportunity to opt out of the energy use aggregation. The owner or agent shall identify to the distribution company or energy efficiency utility requesting the data each unit holder that opted out.

(C) With respect to a multiunit building that has fewer than four unit holders, provides an energy usage data release authorization from each unit holder.

(2) A unit holder may authorize release of the holder's energy usage data by signature on a release authorization form or clause in a lease signed by the unit holder. The provisions of 9 V.S.A. § 276 (recognition of electronic records and signatures) shall apply to release authorization forms under this subsection.

(3) After consultation with the Commercial Working Group, the Commissioner of Public Service shall prescribe forms for requests and release authorizations under this subsection. The request form shall include the required certification.

(b) Response period. A distribution company or energy efficiency utility shall release the aggregated energy use data to the building owner or designated agent within 30 days of its receipt of a request that meets the requirements of subsection (a) of this section.

(1) The aggregation shall exclude energy usage data for each unit holder who opted out or, in the case of a multiunit building with fewer than four unit holders, each unit holder for which a signed release authorization was not received.

(2) A distribution company may refer a complete request under subsection (a) of this section to an energy efficiency utility that possesses the requisite data, unless the data is to be used for a benchmarking program to be conducted by the company.

Sec. 3. 27 V.S.A. § 617 is added to read:

§ 617. DISCLOSURE OF ENERGY INFORMATIONAL MATERIAL;
SINGLE-FAMILY DWELLINGS

The provisions of 30 V.S.A. § 63 shall apply when a contract is executed for the conveyance of real property that is a single-family dwelling.

Sec. 4. WORKING GROUPS; CONTINUATION

(a) The Residential Energy Labeling Working Group and Commercial Energy Labeling Working Group convened by the Department of Public Service in response to 2013 Acts and Resolves No. 89, Sec. 12, as each group existed on February 1, 2019, shall continue in existence respectively as the

Residential Building Energy Labeling Working Group and the Commercial and Multiunit Building Energy Labeling Working Group created under Sec. 2 of this act, 30 V.S.A. § 62. Those persons who were members of such a working group as of that date may continue as members and, in accordance with 30 V.S.A. § 62, the appointing authorities shall fill vacancies in the working group as they arise.

(b) Within 60 days of this section's effective date, the Commissioner of Public Service shall make appointments to each working group created under Sec. 2 of this act to fill each membership position newly created by Sec. 2, 30 V.S.A. § 62.

Sec. 5. REPORT; COMMERCIAL AND MULTIUNIT BUILDING ENERGY

(a) On or before January 15, 2021, the Commissioner of Public Service (the Commissioner), in consultation with the Commercial and Multiunit Building Energy Labeling Working Group created under Sec. 2 of this act, shall file a report and recommendations on each of the following:

(1) each issue listed under "unresolved issues" on page 45 of the report to the General Assembly in response to 2013 Acts and Resolves No. 89, Sec. 12, entitled "Development of a Voluntary Commercial/Multifamily/Mixed-Use Building Energy Label" and dated December 15, 2014; and

(2) the appropriateness and viability of publicly disclosing the results of benchmarking as defined in 30 V.S.A. § 61.

(b) The Commissioner shall file the report and recommendations created under subsection (a) of this section with the House Committee on Energy and Technology and the Senate Committees on Finance and on Natural Resources and Energy.

* * * Efficiency Vermont; Public Utility Commission Proceeding * * *

Sec. 6. EFFICIENCY VERMONT; FUNDS FOR ADDITIONAL THERMAL ENERGY EFFICIENCY SERVICES

(a) Notwithstanding any provision of law to the contrary, Efficiency Vermont may use the following funds in 2019 and 2020 for thermal energy and process fuel energy efficiency services in accordance with 30 V.S.A. § 209(e)(1), with priority to be given to weatherization services for residential customers, including those at income levels of 80–140 percent of the Area Median Income (AMI), and projects that may result in larger greenhouse gas (GHG) reductions:

(1) any balances in the Electric Efficiency Fund that are allocated to Efficiency Vermont and that are carried forward from prior calendar years

pursuant to 30 V.S.A. § 209(d)(3)(A); and

(2) any funds that are allocated to Efficiency Vermont and that, as a result of operational efficiencies, are not spent on, or committed to, another project or purpose in calendar years 2019 and 2020.

(b) Funds used pursuant to subsection (a) of this section shall not be used to supplant existing programs and services and shall only be used to supplement existing programs and services.

(c) Efficiency Vermont shall report to the Public Utility Commission on:

(1) how funds were spent pursuant to subsection (a) of this section; and

(2) the costs and benefits of the programs and services delivered.

Sec. 7. PUBLIC UTILITY COMMISSION PROCEEDING

(a) The Public Utility Commission shall open a proceeding, or continue an existing proceeding, to consider the following:

(1) Creation of an all-fuels energy efficiency program. The Commission shall consider whether to recommend that one or more entities should be appointed to provide for the coordinated development, implementation, and monitoring of efficiency, conservation, and related programs and services as to all regulated fuels, unregulated fuels, and fossil fuels as defined in 30 V.S.A. § 209(e)(3). The Commission shall consider all information it deems appropriate and make recommendations as to:

(A) whether the appointment of an all-fuels efficiency entity or entities to deliver the comprehensive and integrated programs and services necessary to establish an all-fuels energy efficiency and conservation program would, while continuing to further the objectives set forth in 30 V.S.A. § 209(d)(3)(B):

(i) help achieve the State goals set forth in 10 V.S.A. §§ 578, 580, and 581;

(ii) further the recommendations contained in the State Comprehensive Energy Plan;

(iii) further the objectives set forth in 30 V.S.A. § 8005(a)(3);

(iv) develop and utilize a full cost-benefit, full life cycle accounting method for analyzing energy policy and programs; and

(v) employ metrics that assess positive and negative externalities, including health impacts on individuals and the public.

(B) the best model to accomplish the goals set forth in subdivision (1)(A) of this subsection (a), including whether to recommend:

(i) the appointment of one or more new entities; or

(ii) the appointment of one or more entities that are currently providing efficiency and conservation programs pursuant to 30 V.S.A. § 209(d)(2) and distribution utilities that are currently providing programs and services pursuant to 30 V.S.A. § 8005(a)(3).

(2) Expansion of the programs and services that efficiency utilities may provide. The Commission shall consider whether to recommend that efficiency programs and services, whether provided by entities currently providing efficiency and conservation programs pursuant to 30 V.S.A. § 209(d)(2), distribution utilities currently providing programs and services pursuant to 30 V.S.A. § 8005(a)(3), or a new entity or entities recommended pursuant to subdivision (1) of this subsection (a), should incorporate additional technologies, services, and strategies, including:

(A) demand response;

(B) flexible load management;

(C) energy storage;

(D) reduction of fossil fuel use through electrification and the use of renewable fuels and energy; and

(E) building shell improvement and weatherization.

(3) Funding.

(A) The Commission shall consider and recommend how best to provide consistent, adequate, and equitable funding for efficiency, conservation, and related programs and services, including:

(i) how to use existing or new funding sources to better support existing efficiency and conservation programs and services, including those described in Sec. 6 of this act, during the period the Commission is conducting the proceeding pursuant to this subsection;

(ii) how to use existing or new funding sources to provide sufficient funds to implement and support the Commission's recommendations made pursuant to subdivisions (1) and (2) of this subsection (a); and

(iii) whether Thermal Renewable Energy Certificates (T-RECs) can be used to provide for the proper valuation of thermal load reduction investments, to create a revenue stream to support thermal load reduction work, and to evaluate the role of such work within the overall suite of energy programs designed to reduce greenhouse gas (GHG) emissions and generate savings for Vermonters.

(B) In reaching its recommendations pursuant to subdivision (A) of this subdivision (3), the Commission shall consider how any recommendation may affect the financial and economic well-being of Vermonters.

(b) Process. The Commission shall schedule workshops and seek written filings from all interested stakeholders and ensure that all stakeholders have an opportunity to provide input. The Commission may use contested case procedures if it deems appropriate.

(c) Reports. On or before:

(1) January 15, 2020, the Commission shall submit a preliminary report to the House Committee on Energy and Technology and the Senate Committee on Natural Resources and Energy concerning its progress and any preliminary findings and recommendations as to subsection (a) of this section, including recommendations as to subdivision (a)(3)(A) of this section; and

(2) January 15, 2021, the Commission shall submit a final written report to the House Committee on Energy and Technology and the Senate Committee on Natural Resources and Energy with its findings and detailed recommendations as to subsection (a) of this section, including recommendations for legislative action.

* * * Beverage Containers; Escheats * * *

Sec. 8. 10 V.S.A. § 1530 is amended to read:

§ 1530. ~~ABANDONED BEVERAGE CONTAINER DEPOSITS; DEPOSIT TRANSACTION ACCOUNT; BEVERAGE REDEMPTION FUND~~

(a) As used in this section, “deposit initiator” means the first distributor or manufacturer to collect the deposit on a beverage container sold to any person within the State.

~~(b) A deposit initiator shall open a separate interest-bearing account to be known as the deposit transaction account in a Vermont branch of a financial institution. The deposit initiator shall keep the deposit transaction account separate from all other revenues and accounts.~~

~~(c) Beginning on October 1, 2019, each deposit initiator shall deposit in its deposit transaction account the refund value established by section 1522 of this title for all beverage containers sold by the deposit initiator. The deposit initiator shall deposit the refund value for each beverage container in the deposit transaction account not more than three business days after the date on which the beverage container is sold. All interest, dividends, and returns earned on the deposit transaction account shall be paid directly to the account. The deposit initiator shall pay all refunds on returned beverage containers from the deposit transaction account.~~

~~(d) Beginning on January 1, 2020, and quarterly thereafter, every deposit initiator shall report to the Secretary of Natural Resources and the Commissioner of Taxes concerning transactions affecting the deposit initiator’s deposit transaction account in the preceding quarter. The report shall be~~

submitted on or before the 25th day of the calendar month succeeding the quarter ending on the last day of March, June, September, and December each year. The deposit initiator shall submit the report on a form provided by the Commissioner of Taxes. The report shall include:

~~(1) the balance of the deposit transaction account at the beginning of the preceding quarter;~~

~~(2) the number of beverage containers sold in the preceding quarter and the number of beverage containers returned in the preceding quarter;~~

~~(3)(2) the amount of beverage container deposits received by the deposit initiator and deposited into the deposit transaction account;~~

~~(4)(3) the amount of refund payments made from the deposit transaction account in the preceding quarter; and~~

~~(5) any income earned on the deposit transaction account in the preceding quarter;~~

~~(6) any other transactions, withdrawals, or service charges on the deposit transaction account from the preceding quarter; and~~

~~(7)(4) any additional information required by the Commissioner of Taxes.~~

~~(e)(c)(1) On or before January 1, 2020, and quarterly thereafter, at the time a report is filed pursuant to subsection (d) of this section, each deposit initiator shall remit from its deposit transaction account to the Commissioner of Taxes any abandoned beverage container deposits from the preceding quarter. The amount of abandoned beverage container deposits for a quarter is the amount equal to the amount of deposits that should be in the deposit transaction account less the sum of:~~

~~(A) income earned on amounts on the deposit transaction account during that quarter; and~~

~~(B) the total amount of refund value paid out by the deposit initiator for beverage containers during that quarter the deposit initiator collected in the quarter less the amount of the total refund value paid out by the deposit initiator for beverage containers during the quarter.~~

(2) In any calendar quarter, the deposit initiator may submit to the Commissioner of Taxes a request for reimbursement of refunds paid under this chapter that exceed the funds that are or should be in the deposit initiator's deposit transaction account amount of deposits collected in the quarter. The Commissioner of Taxes shall pay a request for reimbursement under this subdivision from the funds remitted to the Commissioner under subdivision (1) of this subsection, provided that:

(A) ~~the Commissioner determines that the funds in the deposit initiator's deposit transaction account~~ deposits collected by the deposit initiator are insufficient to pay the refunds on returned beverage containers; and

(B) a reimbursement paid by the Commissioner to the deposit initiator shall not exceed the amount paid by the deposit initiator under subdivision (1) of this subsection ~~(e) during the preceding 12 months~~ (c) less amounts paid to the initiator pursuant to this subdivision (2) during that same 12-month period in the previous four quarterly filings.

(3) Except as expressly provided otherwise in this chapter, all the administrative provisions of 32 V.S.A. chapter 151, including those relating to collection, enforcement, interest, and penalty charges, shall apply to the remittance of abandoned beverage container deposits.

(4) A deposit initiator may, within 60 days after the date of mailing of a notice of deficiency, the date of a full or partial denial of a request for reimbursement, or the date of an assessment, petition the Commissioner of Taxes in writing for a hearing and determination on the matter. The hearing shall be subject to and governed by 3 V.S.A. chapter 25. Within 30 days after a determination, an aggrieved deposit initiator may appeal a determination by the Commissioner of Taxes to the Washington Superior Court or the Superior Court of the county in which the deposit initiator resides or has a place of business.

(5) Notwithstanding any appeal, upon finding that a deposit initiator has failed to remit the full amount required by this chapter, the Commissioner of Taxes may treat any refund payment owed by the Commissioner to a deposit initiator as if it were a payment received and may apply the payment in accordance with 32 V.S.A. § 3112.

~~(d)~~ (d) The Secretary of Natural Resources may prohibit the sale of a beverage that is sold or distributed in the State by a deposit initiator who fails to comply with the requirements of this chapter. The Secretary may allow the sale of a beverage upon the deposit initiator's coming into compliance with the requirements of this chapter.

(e) Data reported to the Secretary of Natural Resources and the Commissioner of Taxes by a deposit initiator under this section shall be confidential business information exempt from public inspection and copying under 1 V.S.A. § 317(c)(9), provided that the Commissioner of Taxes may use and disclose such information in summary or aggregated form that does not directly or indirectly identify individual deposit initiators.

Sec. 9. 10 V.S.A. § 8003(a) is amended to read:

(a) The Secretary may take action under this chapter to enforce the following statutes and rules, permits, assurances, or orders implementing the

following statutes, and the Board may take such action with respect to subdivision (10) of this subsection:

* * *

(7) 10 V.S.A. chapter 53, relating to beverage containers, provided that the Secretary may not take action to enforce the provisions of section 1530 of this title that are enforceable by the Commissioner of Taxes;

* * *

Sec. 10. 10 V.S.A. § 8503(a)(1)(G) is amended to read:

(G) chapter 53 (beverage containers; deposit-redemption system), except for those acts or decisions of the Commissioner of Taxes under section 1530 of this title;

* * * Effective Dates * * *

Sec. 11. EFFECTIVE DATES

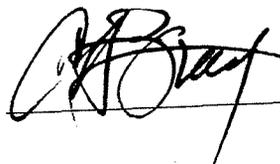
(a) This section and Secs. 8-10 (beverage container; escheats) shall take effect on passage.

(b) Secs. 1-7 (weatherization) shall take effect on July 1, 2019.

And that after passage the title of the bill be amended to read:

An act relating to weatherization, building labeling and benchmarking, a Public Utility Commission proceeding, and unclaimed beverage container deposits.

(Committee vote: 5-0-0)



Senator Bray
FOR THE COMMITTEE