

1 TO THE HONORABLE SENATE:

2 The Committee on Finance to which was referred the report of the
3 Committee on Natural Resources and Energy on House Bill No. 63 entitled
4 “An act relating to the time frame for return of unclaimed beverage container
5 deposits” respectfully reports that it has considered the same and recommends
6 that the Senate propose to the House that the bill be amended by striking out all
7 after the enacting clause and inserting in lieu thereof the following:

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

9 Sec. 1. EFFICIENCY VERMONT; FUNDS FOR ADDITIONAL
10 THERMAL ENERGY EFFICIENCY SERVICES

11 (a) Notwithstanding any provision of law to the contrary, Efficiency
12 Vermont may use the following funds in 2019 and 2020 for thermal energy and
13 process fuel energy efficiency services in accordance with 30 V.S.A.
14 § 209(e)(1), with priority to be given to weatherization services for residential
15 customers, including those at income levels of 80–140 percent of the Area
16 Median Income (AMI), and projects that may result in larger greenhouse gas
17 (GHG) reductions:

18 (1) up to \$2,250,000.00 of any balances in the Electric Efficiency Fund
19 that are allocated to Efficiency Vermont and that are carried forward from
20 prior calendar years pursuant to 30 V.S.A. § 209(d)(3)(A); and

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

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

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

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

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

10 Sec. 2. PUBLIC UTILITY COMMISSION PROCEEDING

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

13 (1) Creation of an all-fuels energy efficiency program. The Commission
14 shall consider whether to recommend that one or more entities should be
15 appointed to provide for the coordinated development, implementation, and
16 monitoring of efficiency, conservation, and related programs and services as to
17 all regulated fuels, unregulated fuels, and fossil fuels as defined in 30 V.S.A.
18 § 209(e)(3). The Commission shall consider all information it deems
19 appropriate and make recommendations as to:

20 (A) whether the appointment of an all-fuels efficiency entity or
21 entities to deliver the comprehensive and integrated programs and services

1 necessary to establish an all-fuels energy efficiency and conservation program
2 would, while continuing to further the objectives set forth in 30 V.S.A.

3 § 209(d)(3)(B):

4 (i) accelerate progress toward the State goals set forth in 10
5 V.S.A. §§ 578, 580, and 581;

6 (ii) accelerate progress toward the recommendations contained in
7 the State Comprehensive Energy Plan;

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

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

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

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

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

16 (ii) the appointment of one or more entities that are currently
17 providing efficiency and conservation programs pursuant to 30 V.S.A.
18 § 209(d)(2) and distribution utilities that are currently providing programs and
19 services pursuant to 30 V.S.A. § 8005(a)(3).

20 (2) Expansion of the programs and services that efficiency utilities may
21 provide. The Commission shall consider whether to recommend that

1 efficiency programs and services, whether provided by entities currently
2 providing efficiency and conservation programs pursuant to 30 V.S.A.
3 § 209(d)(2), distribution utilities currently providing programs and services
4 pursuant to 30 V.S.A. § 8005(a)(3), or a new entity or entities recommended
5 pursuant to subdivision (1) of this subsection (a), should incorporate additional
6 technologies, services, and strategies, including:

7 (A) demand response;

8 (B) flexible load management;

9 (C) energy storage;

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

12 (E) building shell improvement and weatherization.

13 (3) Funding.

14 (A) The Commission shall consider and recommend how best to
15 provide consistent, adequate, and equitable funding for efficiency,

16 conservation, and related programs and services, including:

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

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

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

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

13 (b) The existing Energy Efficiency Utility Orders of Appointment issued
14 by the Public Utility Commission shall not be altered or revoked in the
15 proceeding pursuant to subsection (a) of this section.

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

20 (d) Reports. On or before:

1 (1) January 15, 2020, the Commission shall submit a preliminary report
2 to the House Committee on Energy and Technology and the Senate Committee
3 on Natural Resources and Energy concerning its progress and any preliminary
4 findings and recommendations as to subsection (a) of this section, including
5 recommendations as to subdivision (a)(3)(A) of this section, and any findings
6 and recommendations that may influence the scope and focus of Efficiency
7 Vermont’s 2021-23 Demand Resources Plan Proceeding; and

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

13 * * * Carbon Emissions Reduction Committee * * *

14 Sec. 3. 2 V.S.A. chapter 17 is amended to read:

15 CHAPTER 17: JOINT ~~ENERGY~~ CARBON EMISSIONS REDUCTION

16 COMMITTEE

17 § 601. CREATION OF COMMITTEE

18 (a) There is created a Joint ~~Energy~~ Carbon Emissions Reduction
19 Committee whose membership shall be appointed each biennial session of the
20 General Assembly. The Committee shall consist of ~~four~~ five Representatives,
21 at least one from ~~each major party~~ the Committees on Appropriations, on

1 Commerce and Economic Development, on Energy and Technology, and on
2 Transportation, to be appointed by the Speaker of the House, and ~~four~~ five
3 members of the Senate, at least one from ~~each major party~~ the Committees on
4 Appropriations, on Finance, on Natural Resources and Energy, and on
5 Transportation, to be appointed by the Committee on Committees.

6 (b) The Committee shall elect a chair, and vice chair,~~and clerk and shall~~
7 ~~adopt rules of procedure.~~ The Chair shall rotate biennially between the House
8 and the Senate members. The Committee may meet during a session of the
9 General Assembly at the call of the Chair ~~or a majority of the members of the~~
10 ~~Committee~~ and with the approval of the Speaker of the House and the
11 President Pro Tempore of the Senate. The Committee may meet up to five
12 times during adjournment ~~subject to approval of the Speaker of the House and~~
13 ~~the President Pro Tempore of the Senate.~~ A majority of the membership shall
14 constitute a quorum.

15 (c) The Office of Legislative Council shall provide legal, professional, and
16 administrative assistance to the Committee.

17 (d) For attendance at a meeting when the General Assembly is not in
18 session, members of the Committee shall be entitled to the same per diem
19 compensation and expense reimbursement as provided members of standing
20 committees pursuant to section 406 of this title.

1 § 602. EMPLOYEES; RULES

2 (a) ~~The Joint Energy Committee shall meet following the appointment of its~~
3 ~~membership to organize and begin the conduct of its business.~~

4 (b) ~~The staff of the Office of Legislative Council shall provide professional~~
5 ~~and clerical assistance to the Joint Committee.~~

6 (c) ~~For attendance at a meeting when the General Assembly is not in~~
7 ~~session, members of the Joint Energy Committee shall be entitled to the same~~
8 ~~per diem compensation and reimbursement for necessary expenses as provided~~
9 ~~members of standing committees under section 406 of this title.~~

10 (d) ~~The Joint Energy Committee shall keep minutes of its meetings and~~
11 ~~maintain a file thereof. [Repealed.]~~

12 § 603. FUNCTIONS DUTIES

13 The Joint Energy Carbon Emissions Reduction Committee shall:

14 (1) ~~carry on a continuing review of all energy matters in the State and in~~
15 ~~the northeast region of the United States, including energy sources, energy~~
16 ~~distribution, energy costs, energy planning, energy conservation, and pertinent~~
17 ~~related subjects;~~

18 (2) ~~work with, assist, and advise other committees of the General~~
19 ~~Assembly, the Executive, and the public in energy related matters within their~~
20 ~~respective responsibilities provide oversight when the General Assembly is not~~
21 ~~in session of State policies and activities concerning and affecting carbon~~

1 emissions from Vermont’s electric, residential and commercial buildings, and
2 transportation sectors.

3 * * * VLITE and the Home Weatherization Assistance Fund * * *

4 Sec. 4. 33 V.S.A. § 2501 is amended to read:

5 § 2501. HOME WEATHERIZATION ASSISTANCE FUND

6 (a) There is created in the State Treasury a fund to be known as the Home
7 Weatherization Assistance Fund to be expended by the Director of the State
8 Office of Economic Opportunity in accordance with federal law and this
9 chapter.

10 (b) The Fund shall be composed of the receipts from the gross receipts tax
11 on retail sales of fuel imposed by section 2503 of this title, such funds as may
12 be allocated from the Oil Overcharge Fund, such funds as may be allocated
13 from the federal Low Income Energy Assistance Program, such funds as may
14 be deposited or transferred into the Fund by the Vermont Low Income Trust
15 for Electricity, and such other funds as may be appropriated by the General
16 Assembly.

17 * * *

18 Sec. 5. HOME WEATHERIZATION ASSISTANCE PROGRAM;

19 VERMONT LOW INCOME TRUST FOR ELECTRICITY

20 (a) The General Assembly finds that:

1 (1) It is the energy policy of the State to substantially increase the
2 number of homes weatherized each year in order to meet the goals set forth in
3 10 V.S.A. § 581 and in the State Comprehensive Energy Plan.

4 (2) In its January 2019 report prepared for the General Assembly, *An*
5 *Analysis of Decarbonization Methods in Vermont, Resources for the Future*
6 stated that Vermont’s Greenhouse Gas emissions are concentrated in two areas,
7 heating and transportation. The Regulatory Assistance Project (RAP), in its
8 related report, *Economic Benefits and Energy Savings Through Low-Cost*
9 *Carbon Management*, issued in February 2019, found that energy efficiency
10 initiatives, including home insulation and weatherization, are key to meeting
11 Vermont’s climate goals. As a result, the RAP recommended expanding the
12 Home Weatherization Assistance Program pursuant to 33 V.S.A. chapter 25.

13 (3) The mission of the Vermont Low Income Trust for Electricity
14 (VLITE) is to fund projects that further the State’s energy policy and that assist
15 Vermonters with low-income. VLITE uses dividends from Vermont Electric
16 Power Company (VELCO) stock that it owns to fund such projects.

17 (4) VLITE investing the dividends from its VELCO stock in the Home
18 Weatherization Assistance Program will implement the RAP recommendation
19 to expand this Program, help the State achieve its carbon reduction goals
20 pursuant to statute and the Comprehensive Energy Plan, and also assist
21 Vermonters with low-income to reduce fossil fuel use and save money.

1 (b) The General Assembly finds that investing the dividends from VLITE’s
2 VELCO stock in the Home Weatherization Assistance Program is consistent
3 with VLITE’s mission and furthers the State’s energy plan and Greenhouse
4 Gas reduction goals. As a result, the General Assembly encourages VLITE to
5 invest the dividends from its VELCO stock into the Home Weatherization
6 Assistance Fund pursuant to 33 V.S.A. § 2501.

7 * * * Supplemental Weatherization Funding * * *

8 Sec. 6. SUPPLEMENTAL WEATHERIZATION FUNDING

9 In fiscal year 2020, \$350,000.00 is appropriated from the General Fund to
10 Efficiency Vermont for weatherization programs and services pursuant to
11 subsection (a) of Sec. 6 of this act.

12 * * * Beverage Containers; Escheats * * *

13 Sec. 7. 10 V.S.A. § 1530 is amended to read:

14 § 1530. ABANDONED BEVERAGE CONTAINER DEPOSITS;~~DEPOSIT~~
15 ~~TRANSACTION ACCOUNT; BEVERAGE REDEMPTION FUND~~

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

19 (b) ~~A deposit initiator shall open a separate interest-bearing account to be~~
20 ~~known as the deposit transaction account in a Vermont branch of a financial~~

1 ~~institution. The deposit initiator shall keep the deposit transaction account~~
2 ~~separate from all other revenues and accounts.~~

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

12 ~~(d) Beginning on January 1, 2020, and quarterly thereafter, every deposit~~
13 ~~initiator shall report to the Secretary of Natural Resources and the~~
14 ~~Commissioner of Taxes concerning transactions affecting the deposit~~
15 ~~initiator's deposit transaction account in the preceding quarter. The report~~
16 ~~shall be submitted on or before the 25th day of the calendar month succeeding~~
17 ~~the quarter ending on the last day of March, June, September, and December~~
18 ~~each year. The deposit initiator shall submit the report on a form provided by~~
19 ~~the Commissioner of Taxes. The report shall include:~~

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

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

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

5 ~~(4)~~(3) the amount of refund payments made ~~from the deposit transaction~~
6 ~~account~~ in the preceding quarter; and

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

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

11 ~~(7)~~(4) any additional information required by the Commissioner of
12 Taxes.

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

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

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

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

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

15 (B) a reimbursement paid by the Commissioner to the deposit
16 initiator shall not exceed the amount paid by the deposit initiator under
17 subdivision (1) of this subsection ~~(e) during the preceding 12 months~~ (c) less
18 amounts paid to the initiator pursuant to this subdivision (2) ~~during that same~~
19 ~~12-month period~~ in the previous four quarterly filings.

20 (3) Except as expressly provided otherwise in this chapter, all the
21 administrative provisions of 32 V.S.A. chapter 151, including those relating to

1 collection, enforcement, interest, and penalty charges, shall apply to the
2 remittance of abandoned beverage container deposits.

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

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

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

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

7 Sec. 8. 10 V.S.A. § 8003(a) is amended to read:

8 (a) The Secretary may take action under this chapter to enforce the
9 following statutes and rules, permits, assurances, or orders implementing the
10 following statutes, and the Board may take such action with respect to
11 subdivision (10) of this subsection:

12 * * *

13 (7) 10 V.S.A. chapter 53, relating to beverage containers, provided that
14 the Secretary may not take action to enforce the provisions of section 1530 of
15 this title that are enforceable by the Commissioner of Taxes;

16 * * *

17 Sec. 9. 10 V.S.A. § 8503(a)(1)(G) is amended to read:

18 (G) chapter 53 (beverage containers; deposit-redemption system),
19 except for those acts or decisions of the Commissioner of Taxes under section
20 1530 of this title;

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* * * Effective Dates * * *

Sec. 10. EFFECTIVE DATES

(a) This section and Secs. 7–9 (beverage container; escheats) shall take effect on passage.

(b) Secs. 1–6 (Efficiency Vermont, Public Utility Commission Proceeding, Carbon Emissions Reduction Committee, VLITE and Home Weatherization Assistance Fund, and supplemental weatherization funding) 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, a Public Utility Commission proceeding, and unclaimed beverage container deposits”

(Committee vote: _____)

Senator _____

FOR THE COMMITTEE