

DR20-0811**Senate Natural Resources and Energy
Decision points for draft committee bill**

Based on Sen. Bray's 1/29/20 draft of bill (doc # 345748 v.1)

**Sec. 1. ALLOWANCE OF THE USE OF ENERGY EFFICIENCY
CHARGE FUNDS FOR GREENHOUSE GAS EMISSIONS
REDUCTION PROGRAMS**

(a) Notwithstanding any provision of law or order of the Public Utility Commission (PUC) to the contrary, for the calendar years 2020–2023,¹ the PUC shall² authorize any entity appointed to provide electric energy efficiency and conservation programs and measures pursuant to 30 V.S.A. § 209(d)(2)(A) to spend a portion, in an amount to be determined by the PUC³ but not to exceed \$2,000,000.00 per year,⁴ of its electric⁵ resource acquisition budget, determined pursuant to 30 V.S.A. § 209(d)(3)(B),⁶ on programs, measures, and services that reduce greenhouse gas emissions in the thermal energy⁷ or transportation sectors, provided that the entity's total electric resource acquisition budget for 2021–2023 does not exceed the entity's total electric resource acquisition budget for 2018–2020.⁸

Decision points:

1. Calendar years 2020-23 or 2021-23 (see subsection concerning reports)?
2. PUC "shall" authorize or "may" authorize (mandatory v. discretionary)?
 - ✓ Does the Committee want the PUC to authorize specific projects or simply provide general authorization for an EEU to spend up to \$2M per year on a suite of unspecified projects?
3. As this section is currently written, the PUC has no discretion as to approving or disapproving a project (or a suite of unspecified projects) but can decide to starve or fully fund those projects. Is this what the Committee wants?
4. Include a minimum amount? Keep the cap of \$2M?
5. "Electric" resource acquisition budget added Tuesday by stakeholders.
6. "Determined pursuant to 30 V.S.A. § 209(d)(3)(B)" added by stakeholder to clarify that the overall budget is set according to existing criteria and process.
 - ✓ May not be necessary because this bill does not concern the overall budget or change those criteria.
 - ✓ May cause unintended confusion because the factors in § 209(d)(3)(B) are "notwithstanding" and are therefore intentionally not the factors to be used as to new projects under this bill. Keep?
7. Include thermal or limit to transportation (see below)?
8. Retain "provided that the entity's total electric resource acquisition budget for 2021–2023 does not exceed the ... 2018–2020"?
 - ✓ If the EEU's electric resource acquisition budget increases this bill in essence voided.
 - ✓ Originally applied to the total resource acquisition budget, now more limited to electric resource acquisition budget.
 - ✓ Such language is not necessary for an EEU to submit a "flat" electric resource acquisition budget.

(b) Programs, measures, and services authorized pursuant to subsection (a) of this section shall:

(1) reduce greenhouse gas emissions in the thermal¹ energy or transportation sectors, or both;

(2) have a nexus² with electricity usage;

(3) be additive and³ complementary to and shall not replace or be in competition with electric utility energy transformation projects pursuant to 30 V.S.A. § 8005(a)(3) such that result in the largest possible greenhouse gas emissions reductions in a cost-effective manner;⁴ and

(4) ensure that any funds used for direct customer incentives are expended in proportion to the energy efficiency charge collected in each retail provider's territory⁵.

Decision points:

1. *Include thermal or limit to transportation (see above)?*
2. *Committee members had discussed "nexus" and meaning. Retain?*
3. *"Additive".*
4. *"Biggest bang-for-the-buck" had been a separate factor. Stakeholder suggested merging with factor #3.*
 - ✓ *The expressed rationale was to remove requirement that a project had to generate the biggest bang for the buck. However, does this change solve this concern?*
 - ✓ *Does the Committee agree that GHG reductions should not be a separate factor?*
 - ✓ *Necessary in light of factor #1?*
 - ✓ *Other options.*
5. *Equity based on benefits realized or funds spent?*
 - ✓ *Does this language achieve stakeholders' objectives?*
 - ✓ *Lack clarity as to proportion.*
 - ✓ *Other options.*

In general, these factors are essential as to how the \$6M is spent. Are these the factors that the Committee wishes to impose on new projects under this bill? Add or delete or modify any factors?

(c) An entity that is approved to provide a program, measure, or service pursuant to this section shall¹ provide the program, measure, or service in cooperation with a retail electricity provider.

(1) The entity shall not claim savings for a program or measure that a DU elects to offer under its Tier 3 programs delivered pursuant to 8005 (a) (3).²

(2) The PUC shall develop standards and methods to appropriately measure the effectiveness of the programs, measures, and services in relation to the entity's Demand Resources Plan proceeding.³

Decision points:

1. *Sen. Bray's draft changes "may" to "shall", which would prevent an EEU from developing and undertaking a project on its own.*
 - ✓ *Will all potential projects over 3 years involve an EEU and a DU, or are there potential projects that may only involve an EEU?*
2. *(1) does not track statutory language, which is important for various reasons.*
3. *(2) is vague (understandably), can PUC develop these standards?*

(d) Any funds spent on programs, measures, and services pursuant to this section by a retail electricity provider that the PUC has appointed an energy efficiency entity pursuant to 30 V.S.A. § 209(d)(2)(A) shall not be counted towards the calculation of funds used by that retail electricity provider for energy transformation projects pursuant to 30 V.S.A. § 8005(a)(3) and the calculation of project costs pursuant to 30 V.S.A. § 8005(a)(3)(C)(iv).

Decision point:

- *This subsection concerns BED. Necessary?*

(e) On or before April 30, 2021 and every April 30¹ for three years thereafter, the PUC shall submit a written report to the House Committee on Energy and Technology and the Senate Committees on Natural Resources and Energy and on Finance concerning any programs, measures, and services approved pursuant to this section.

Decision points:

1. *Dates changed from January to April. See below, repeal date will have to be changed.*
2. *Include specifics as to what PUC shall report on?*

Sec. 3. EFFECTIVE DATE

This act shall take effect on passage and shall be repealed as of January 1, 2024.

Last report to be filed April 30, 2024, but act repealed as of January 2024. One of these dates will therefore have to be changed.