

Vermont's Clean Energy Development Fund (CEDF)



Testimony for House Energy & Technology
Committee

May 12, 2021

Jared Duval, CED Board Co-Chair

Clean Energy Development Fund (CEDF)

- Created in 2005 via Act 74 (30 V.S.A. § 8015)
- The CEDF's statutory charge includes advancing cost-effective and sustainable clean energy market development efforts that benefit Vermont consumers.
- In carrying out this charge we are also committed to helping to equitably help achieve Vermont's greenhouse gas (GHG) reduction requirements.
- For over 15 years, the CEDF has successfully disbursed over \$60 million to support strategic market development and cost-effective uptake of clean energy in Vermont, including successfully deploying over \$29 million in American Recovery and Reinvestment Act (ARRA) dollars over an approximately three-year period.



Overview

- The Clean Energy Development Board (CEDB) is charged with reviewing and approving the Clean Energy Development Fund's (CEDF) Annual Plan (including program design) & budget, and any updates to the Five-year Strategic Plan.
- The Department of Public Service is responsible for the day-to-day decisions of the CEDF and for development and presentation to the Board of the Annual Plan (including program design) & budget, and any updates to the Five-year Strategic Plan.
- Board members are appointed to four-year terms and by either the Commissioner of the Department of Public Service (3 members), the Chair of the House Energy and Technology Committee (2 members), or the Chair of the Senate Energy and Natural Resources Committee (2 members).

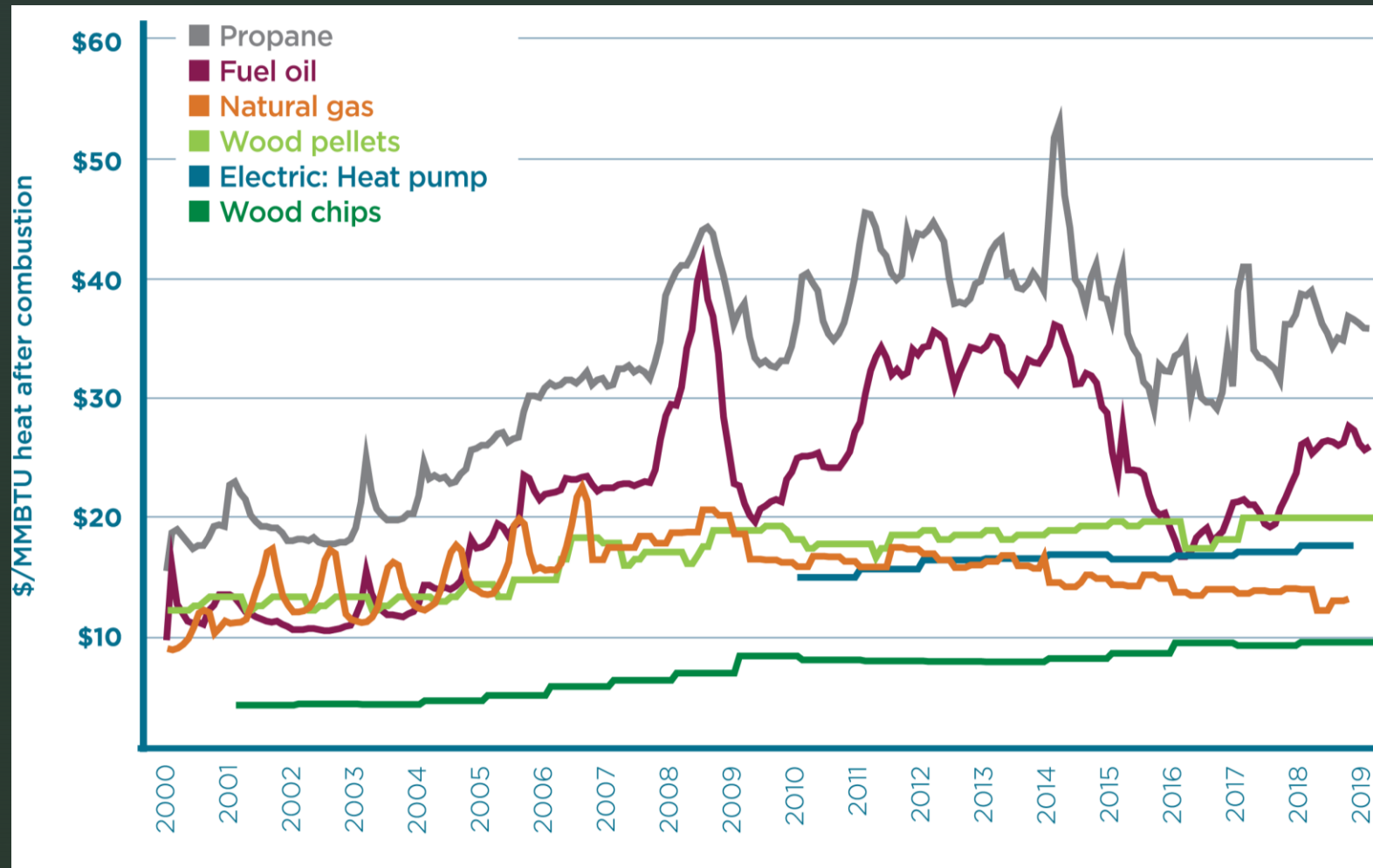
▸ Clean Energy Development Fund Staff and Board Members

- CED Fund Manager: Andrew Perchlik
- CED Board Co-Chair: Jared Duval, Energy Action Network (2015-2023, PSD Commissioner)
- CED Board Co-Chair: Sam Swanson, PACE Law School (2008-2023, PSD Commissioner)
- CED Board Member: David Farnsworth, RAP (2017-2021, PSD Commissioner)
- CED Board Member: Ken Jones, Agency of Commerce & Community Development (2017-2021, Senate Energy Committee)
- CED Board Member: Johanna Miller, Vermont Natural Resources Council (2014-2021, House Energy Committee)
- CED Board Member: Kate Desrochers, Encore Renewable Energy Development (2019-2023, House Energy Committee)
- CED Board Member: Paul Zabriskie, Capstone Community Action (2019-2023, Senate Energy Committee)

CEDF FY20 and FY21 Budgets and Priorities

- In fiscal year 2020 the CEDF expended just over **\$1.1 million** to advance Vermont's clean energy sector, with the **bulk of those dollars working to build the local advanced wood heating market.**
- For FY 2021, the CEDF budgeted its **remaining \$1.7 million on existing programs and grants that continue to grow Vermont's advanced wood heating market**, specifically for local bulk wood pellets and chips.
- Maturing and expanding the local wood heating market will help strengthen Vermont's sustainable forest products and clean energy industries by **helping to create new employment, decrease the use of fossil fuels, build demand for low grade wood products from local forests, and keep heating dollars local.**

Renewable heating options are usually lower cost and more price stable than fossil fuel options



Without New Funding, CEDF Programs Will Wind Down Post-FY21

- “Without any new funds allocated to the CEDF it will continue to implement a controlled winding-down of all CEDF programs. When the current [FY21] CEDF funds are expended the Public Service Department (PSD) will end the Fund’s operations but preserve the CEDF in order to meet the statutory requirements of the CEDF as well as to maintain the option of reviving incentive programs if funding for the CEDF is secured.”
– FY21 Annual Plan & Budget

CEDF – Proven Track Record, Effective Structure

- The CEDF provides an **existing framework to effectively and responsibly manage large public investments for clean energy progress.**
- **The CEDF Board stands ready to once again ensure that funds are strategically utilized in a cost-effective and equitable manner – informed by legislative directive, our strategic plan, public input, and the oversight of the Department of Public Service and guiding statute.**
- In addition to further supporting advanced wood heat, the CEDF could build on that success while also identifying and advancing other clean, efficient strategies that are affordable, equitable, and help achieve the state's emissions reduction requirements.



Further Information

- All CEDF Reports:
https://publicservice.vermont.gov/renewable_energy/cedf/reports
- FY21 Annual Plan and Budget:
https://publicservice.vermont.gov/sites/dps/files/documents/Renewable_Energy/CEDF/Reports/FY21_Program%20Plan%20and%20Program%20Alllocations.pdf