


Department of Public Service



Commissioner June E. Tierney



Department of Public Service
FY2023 Budget

1/28/2022

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Public Service Department Mission

Public Service Department Mission: The PSD serves all citizens of Vermont through public interest and ratepayer advocacy, planning, program administration, and other actions that are directed at meeting the public's need for least-cost, environmentally sound, efficient, reliable, secure and sustainable energy, telecommunications, and regulated utility services in Vermont for the short and long term. This involves many areas including, but not limited to:

- Performing regulatory oversight of Vermont utilities through advocacy before the Public Utility Commission (PUC) on the impacts on the public of utility rate adjustment requests, business practices, and acquisitions/divestitures of Vermont utilities;
- Providing research and analysis recommendations and advocacy on PUC proceedings regarding requests to build and expand energy generation and transmission facilities;
- Investigating consumer complaints against regulated utility companies;
- Overseeing the purchase and resale of power to Vermont utilities from the New York Power Authority;
- Encouraging, supporting and funding the development of alternative clean renewable energy resources;
- Conducting energy grid, energy supply, and long-term energy planning and economic modeling to ensure that Vermont's anticipated energy needs are met in an efficient, affordable, and environmentally responsible manner;
- Planning for Vermont's telecommunication needs in the short and long-term.

These responsibilities critically affect every Vermonter, and now in particular, the issues related to Vermont's energy and telecommunications future.

Summary

Funding Sources

The Department is predominantly funded by the gross receipts tax on utility bills, pursuant to 30 V.S.A Sec. 22 and bill back authority pursuant to 30 V.S.A Sec. 21, with some programs funded through federal grants.

The Clean Energy Development Fund is funded pursuant to 10 V.S.A Sec. 6523.

The Low-Level Radioactive Waste Fund is funded by a bill back pursuant to 10 V.S.A Sec. 7067.

Snapshot

FY23 Budget Request \$ 13,241,935 (6.4% more than FY22)

19.57% of increased costs are due to fringe benefits

51 Employees

The Public Advocacy Division was a party to 4,414 Public Utility Commission cases in FY 2021.

Gross Receipts Tax represents 47.62 % of the Department's Budget

Modest funds are allocated for automation of key functions (\$125,000)



Public Service Accomplishments

1/28/2022

Tele- communications and Connectivity

96.2% Vermont addresses at 4/1 (an increase of 3% over 2020 reporting)
80.3% at 25/3

[Broadband High-Speed Internet Availability in Vermont | Department of Public Service](#)

Using \$10.5 million in CRF, the Department served 6,210 locations out of 68,899 locations that were considered underserved at the start of the pandemic.

The Temporary Broadband Subsidy program provided financial assistance to subsidize monthly bills for 2,900 Vermonter households to keep Internet service on during the pandemic.

The Line Extension Customer Assistance Program completed line extensions for 595 residents who were “near net.”

Planning and
Energy
Efficiency &
Energy
Resources

2022 Comprehensive
Energy Plan Completed

6 staff participated in
the Initial Climate Action
Plan

Clean Energy Development Fund

The CEDF worked with stove and pellet boiler installers as well as non-profit community action agencies across the state to reach out to the public and build the advanced wood market in Vermont

The CEDF has lowered the amount of pollution by changing out old inefficient stoves with new advanced efficient stoves and boilers.

Saved Vermonters money by allowing them to heat their homes and businesses with local wood heat, which is cheaper than fossil fuel heat.

This change to wood heating also retains more dollars in the local economy providing a general positive economic development impact.

Technology	Number of Grant Program Installs	Number of SSREI Program Installs	Total Net Metric Tons CO2e Savings	Total Net Fossil Fuel Savings (gallons)
Wood Stoves	46	4	31.1	1,425.0
Pellet Stoves	52	0	26.2	883.5
Pellet Boilers - Non-residential	0	6	579.6	62,365.98
Pellet Boilers - Residential	0	42	244.9	26,342.4
Totals	98	52	881.7	91,016.9

Consumer Affairs, Public Information and Administrative Services

The VCAAP II program made 8,000 awards constituting \$15.5M for utility arrearage assistance.

The CAPI staff fielded 6,233 contacts and investigated 3,913 complaints. 88% or 3,453 complaints were fully resolved by CAPI staff.

Staff assisted with expedition of service repairs and installations and helped customers with referrals to assisting programs or helping organizations for utility arrearages. CAPI assisted Vermonters with recovering or receiving more than \$60,000 payments made in error or bill credits.

Public Advocacy

Contingent Amendment to Standard Offer Purchase Power Agreement (Case Nos. 21-3191-PET, 21-3192-PET) Applicants petitioned the PUC to amend their standard offer contract to reflect a new location for a 2.0 Mw solar array, which is reflected in a settlement reached with town residents.

The Department filed comments recommending that the petitions be denied due to the additional monies that ratepayers would be compelled to pay over the life of the projects should the petitions be granted.

Specifically, Vermont ratepayers would have to pay an additional \$4.8 million over the life of the new project, the amount of which could otherwise be spent on more meaningful and effective greenhouse gas mitigation measures such as low-income weatherization or transportation measures. A PUC decision is pending.

Public Advocacy Provides Oversight of Vermont Yankee Decommissioning

The Department continues in its role conducting financial and technical oversight for the decommissioning of the Vermont Yankee Nuclear Power Plant to ensure the project meets its decommissioning schedule and is completed within available funding.

As a part of its oversight, the Department receives annual and monthly financial statements from NorthStar for review, conducts site visits to confirm decommissioning progress, and conducts monthly meetings with NorthStar and ANR.

The Department also provides quarterly updates to the Nuclear Decommissioning Citizen Advisory Panel and publishes NorthStar's monthly summary of expenditures, its annual reports, and the monthly Nuclear Decommissioning Trust and Site Restoration Trust balances on the NDCAP website.

Public Advocacy at the FCC

Lifeline and Linkup Reform and Modernization (WC Docket No. 11-42) On November 4, 2021, the Department sent a letter to Federal Communications Commission (“FCC”) Chairwoman Jessica Rosenworcel urging the FCC to reconsider the intended phasedown of Lifeline support for standalone voice service as adopted in the FCC’s 2016 Lifeline Order. The Department explained many Vermont low-income residents rely solely on voice service with no ability – whether due to lack of availability or excessive cost -- to transition to broadband to access voice offerings supported by Lifeline. The Department also explained that should the FCC proceed with the December 1, 2021-phasedown, it will adversely affect approximately 3,000 to 3,600 Vermonters who are low-income and depend on voice-only services for their fundamental connectivity needs. On November 5, 2021, the FCC issued an order pausing the voice-only phase down for Lifeline for one year.

FCC Emergency Broadband Connectivity Fund (WC Docket No. 20-445) The Emergency Broadband Benefit Program was established by Congress as part of the Consolidated Appropriations Act, 2021. The Act established an Emergency Broadband Connectivity Fund of \$3.2 billion and directed the Federal Communications Commission (“FCC”) to establish an Emergency Broadband Benefit (“EBB”) Program. The Program granted eligible households up to \$50 off the cost of broadband service. The Department and PUC filed comments with the FCC supporting the program for both low-income Vermonters and those Vermonters experiencing financial hardship due to the COVID-19 pandemic, as well as communicating that it will be imperative for broadband providers to effectively promote the program in partnership with agencies like the Department and PUC. The EBB Program ended on December 31, 2021 and was replaced with the Affordable Connectivity Program.

Affordable Connectivity Program (WC Docket No. 20-445) The Affordable Connectivity Program (“ACP” or “Program”) was enacted as part of the Infrastructure Investment and Jobs Act to replace the Federal Communications Commission’s Emergency Broadband Benefit (EBB”) Program. Among other things, the ACP makes permanent the EBB and provides up to \$30 a month in broadband subsidies to eligible households and up to \$100 to assist with the purchase of broadband capable devices. The Department filed comments supporting the Program and highlighting that a monthly subsidy is crucial for low-income and disenfranchised Vermonters. The Department made clear, however, that promotion of the program is crucial and that, based on complaints received by the Department, providers failed to effectively promote the EBB program.

Engineering

The Underground Damage Prevention program reports 1.8% excavation damages per 1,000 Dig Safe tickets.

PSD SFR/ARPA Projects Proposed and/or Underway

- Mobile Wireless Cell Coverage \$50 million
- Support for Electric Service Upgrades to Facilitate all Vermonters Participation in Clean Energy Transition \$20 million
- Load Management \$2 million
- Affordable Community-Scale Renewable Energy Program \$5 million
- Funding to be allocated by Clean Energy Development Board \$5 million
- Grants for Efficiency Vermont for Weatherization Services \$5 million
- Grants for Efficiency Vermont for Workforce Development \$2 million
- Grid Modernization \$5 million
- Weatherization Middle Income Incentives \$35 million

Equity Impact Analysis

Wireless services are unevenly distributed throughout the state and tend to be located in more urbanized communities. Rural communities and especially those with higher percentages of lower income residents tend to have poorer service or no service at all. This negatively affects the rural quality of life. This is especially true with access to emergency services. Currently an estimated 40% of Vermonters do not have reliable cell service at home.

The Department has made progress in increasing the amount of funding, for example electric efficiency funding, that is targeted to go to income-sensitive Vermonters. The Department has also participated in the Commission's docket on how to support income sensitive Vermonters and applies the Equity Impact Assessment Tool for any significant policy decisions. The Comprehensive Energy Plan elevates equity and just transitions to be a core decision making criteria in energy policy considerations.

The changes in funding are all positive (increase in value). The \$250,000 that is not budgeted for lower income households will be targeted to small and rural businesses in the hospitality, tourism, and travel industry.

The CEDF programs are still under development and thus there are some details of the program delivery that the CEDF will develop regarding how to best reach out to the most vulnerable populations to make sure they benefit from the programs. The funds will not be issued on a first come first service basis. Instead, funds will be set aside to make sure equity is served by the deployment of the program.