

March 18, 2022

Energy Savings Account (ESA) Pilot Program

History and Status

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Director, Public Affairs

History of ESA Pilot Program

Legislative and Regulatory basis

Original ESA program established in 2009 and updated 2014

ESA Pilot Program established pursuant to Public Act 150 of 2018 VT legislative session

- PUC investigation Case No. 19-0302-INV
- ESA Pilot Period July 1, 2019 – June 30, 2022 (3 years)
- Participants may use up to 100% of energy efficiency charge funds on projects (minus Gross receipts and weatherization taxes, allocation for EM&V)
- Maximum of \$2 million total contributions each year

History of ESA Pilot Program

Allowable scope & initial process

Allowable project types:

- electric energy efficiency
- thermal-energy-and-process-fuel efficiency
- energy productivity measures
- demand management
- energy storage that provides benefits to the customer and its utility

Initial Joint Request for Proposals (RFP) issued by Efficiency Vermont, Department of Public Service (DPS) and ACCD in June 2019; subsequent RFP for additional participants issued August 2019

ESA Pilot Program

Participants

9 Participating Companies

- Chroma Technology Corporation,
- Collins Aerospace,
- Ethan Allen Operations,
- Jay Peak Resort,
- Killington Resort / Pico Mountain Resort,
- Mack Molding Company,
- Weidmann Electrical Technology, Inc.,
- Westrock Converting, LLC, and
- Vail Resorts Management Company.

All companies that submitted a proposal and wanted to participate in the Pilot Program were selected

ESA Pilot Program

Activities by Participants

Activities

- Project identification and analyses (9 of 9)
- Societal Cost-effectiveness screening (9 of 9)
- Energy Management Plan (EMP) filing (5 of 9)
- Project Implementation (ongoing, after filing EMP)
- DPS Savings Verification (future, upon project completions)

Spending and Accruals through 2021 Q4

- Approx. \$3.3M Participant contributions
- Approx. \$260,000 reimbursements made to date
- Pilot end date June 30, 2022

ESA Pilot Extension Agreement

Efficiency Vermont, ACCD, and Department of Public Service propose the following conditions for extension of ESA pilot beyond June 30, 2022:

1. Agree to 18 month extension of pilot for all participants; participants may opt out of automatic extension by written notice to the Commission at end of June '22, and return to full service EEU activities while accrued projects are completed.
 - Accruals will continue through December 31, 2023.
2. Agree to **establish working group** under the leadership of the Department to convene ESA and ESA Pilot participants with Efficiency Vermont and ACCD, for purpose of developing and recommending changes to permanent ESA program by no later than January '23; goal is to have updated ESA rules and structure in place by January '24.

ESA Pilot Extension Agreement

3. Department shall complete review and verification of ESA Pilot projects committed through June '22 and provide information to PUC for their evaluation (no change). Recommend that the PUC complete their evaluation and report to the legislature in January '23 as currently scheduled.
4. Agree that any ESA Pilot participant should be allowed to request from PUC, and PUC shall consider and approve all reasonable requests, for continuation of ESA Pilot participation under the existing terms and conditions through no later than **December 2026**. This waiver may not be continued in perpetuity; waivers may only be issued by the PUC for individual participants and not the entire group of participants.
 - Accruals will not continue from January 1, 2024 and beyond.

Questions?

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ESA Pilot Program

Additional information and guidance for participants can be found on Efficiency Vermont website at: <https://www.encyvermont.com/esa>

Most recent Annual Report (filed 11/1/2022 for July 2020 – June 2021):

<https://www.encyvermont.com/Media/default/docs/landing-pages/esa/annual-progress-report-11-2021.pdf>