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From: House Committee on Energy & Technology

To: House Committee on Appropriations

Date: February 23, 2022

Re: **FY2023 Budget Recommendations**

\$95 million of ARPA funds to the VT Community Broadband Board

- In Governor's recommended budget.
- To fund CUD broadband infrastructure and programs as established in Act 71 of 2021.
- This appropriation is in addition to a \$150 million ARPA appropriation last year and an anticipated \$100 million future appropriation from IIJA. VCBB anticipates that this \$345 million will connect enough VT households to allow for CUDs to independently bond for additional capital investments to complete their networks.

WE SUPPORT THIS APPROPRIATION.

\$35 million of ARPA funds as a DPS grant to Efficiency VT for moderate income weatherization incentives

- In Governor's recommended budget.
- These funds would be deployed alongside other EVT sources providing up to a 75% match (up to \$5,000) for VTers with income up to 120% of area median income.
- These funds would be expended in calendar years 2023-2026 and would contribute to weathering 4,000-5,000 Vermont homes.
- [Increased resources for weatherization is a Climate Action Plan recommendation.]
- Significant funding for weatherization programs will be critical to the success of a Clean Heat Standard.

WE SUPPORT THIS APPROPRIATION.

\$45 million in ARPA funds to DCF-OEO for the low-income Home Weatherization Assistance Program

- In Governor’s recommended budget.
- Low-income homeowners and tenants are eligible for no-cost weatherization services through VT’s six Weatherization Assistance Providers and 3E Thermal.
- These funds would be expending in FY2023-2026 to weatherize approximately 4,000 homes and rental units.
- [Increased resources for weatherization is a Climate Action Plan recommendation.]
- Significant funding for weatherization programs will be critical to the success of a Clean Heat Standard.
- *We encourage increased flexibility in the use of these funds so that OEO’s “one-touch” approach can coordinate with other low-income programs to work with a household once to upgrade electrical service, weatherize, and install heating equipment such as heat pumps, heat pump hot water heaters, and advanced wood heating systems.*

WE SUPPORT THIS APPROPRIATION

\$20 million in APRA funds to DPS to support low- and moderate-income VTers upgrading home electrical systems and installing energy saving technologies.

- In Governor’s recommended budget.
- Many VT homes lack sufficient electrical systems to support the increasing prevalence of home car charging, electric heat pumps, and battery storage.
- This is a new program to be developed. Within the DPS, the CEDF could be tasked with standing up this program to accelerate implementation.
- [Home electric service upgrade is a Climate Action Plan recommendation.]
- *We encourage flexibility in the use of these funds to allow for simultaneous installation of new electrical equipment such as EV chargers, heat pumps, and hot water heaters.*
- *This new program should work in coordination with the Home Weatherization Assistance Program.*

WE SUPPORT THIS APPROPRIATION

\$2 million in ARPA funds to DPS for load management and storage devices to allow low-income households.

- In Governor’s recommended budget.
- Allows customers to take advantage of lower electric rates while providing flexibility for utilities in load management and cost containment.
- This \$2 million will be combined with \$5 million of prior ARPA funding to DPS.
- This is a new program to be developed. Within the DPS, the CEDF could be tasked with standing up this program to accelerate implementation.
- *We encourage the coordination of this program with other energy efficiency and beneficial electrification programs that touch low-income households.*

WE SUPPORT THIS APPROPRIATION

\$51.5 million in ARPA Capital Funds to DPS to build 100 cell towers to expand cell phone coverage in Vermont

- In Governor’s recommended budget.
- \$1.5 million to identify cell tower locations prioritizing the least-served road segments with the highest traffic counts and surrounding population.
- \$20 million to subsidize the construction of 100 cell towers to be owned and operated by a third-party.
- \$30 million to subsidize the deployment of cell carriers’ capital costs in fitting up each tower site.
- States have little ability to regulate or designate cell service deployment. Subsidies will direct cell service expansion to the least-served, highest-need parts of the State.

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Creation of Critical Communications Infrastructure Program (CCIP) and funding through the VT Universal Service Fund (VUSF).

Removing E911 funding from the VUSF and funding in the General Fund.

- In Governor’s recommended budget.
- The new CCIP would evaluate prioritized citing for new cell towers; award grants to cell tower operators and wireless carriers; and retain consultants for support.
- The VUSF would contribute approximately \$3.5 million annually to the CCIP.
- Current VUSF funding levels do not fully fund the E911 program. E911 would require \$4.6 million from the General Fund in FY’23.
- The VUSF is a declining revenue stream of \$5 to \$6 million annually. One-sixth of this annual fund goes to the VCBB; approximately \$750,000 covers administrative, hearing-impaired, and low-income service; with the remainder going to fund E911.

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\$11 million in one-time GF as a 50% match to VPPSA/municipal utilities, WEC, and VEC to install advanced metering infrastructure (AMI).

- Not in Governor’s recommended budget.
- AMI is well-established outside of these VPPSA/WEC/VEC territories. Equitable deployment of AMI in these unserved areas would allow better load control, grid management, and lower electric rates.
- Lack of AMI is a barrier to receiving other federal grants.
- This investment likely not ARPA or IIJA eligible, thus requiring state funds.
- This is not part of the Governor’s recommended investments.

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\$5 million in ARPA funds to the CEDF for “switch and save” heat pump hot water heater replacements for low-income households.

- Not in Governor’s recommended budget.
- Hot water accounts for a home’s 2nd leading energy cost and are replaced every 10-15 years. Replace older fossil fuel HWHs prior to failure with new technology.

- Combined with electric utility incentives for no/low-cost replacement.
- Combine with weatherization and electrical upgrades for one-touch work.
- [Recommended by Climate Action Plan as high cost benefit and emissions reduction strategy.]
- Could be an allowable use of funds under other low-income energy programs (weatherization, electric service upgrades, load management).

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\$1.6 million in ARPA funds to expand the CIS Community Data System to all twelve Children’s Integrated Service regions.

- Not in Governor’s recommended budget.
- The Family Center of Washington County has successfully developed and deployed a case management system that has been in use for five years.
- The system is built on the Salesforce platform which aligns with state agency systems.
- The 12 CIS regions across VT employ balkanized systems for case management that are inefficient, unsecure, and costly.
- DCF/ADS have expressed reservations about moving forward with this rollout at this time because of constrained capacity at the Department in successfully implementing a Childcare Financial Assistance Program eligibility system, an IT project that is not going well.
- ADS has raised questions around the statewide governance/oversight of this system and the extent to which all CIS regions have bought in to this particular IT solution.

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\$600,000 in one-time GF to support the Vermont Access Network community media centers.

- Not in Governor’s recommended budget.
- Cable tv subscription revenue that supports VAN has declined and is expected to continue to decline.
- VAN supported with \$466,500 of CRF\$ in 2020 and with \$300,000 in FY22 budget adjustment.
- A long term funding/tax change will be necessary to bridge this funding gap

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\$2.18 million in one-time GF for the Attorney General’s Office case management system.

- Not in Governor’s recommended budget.
- \$1.1 million in FY’23, \$1.1 million FY’24

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