

TO: Representative Mary Hooper, Chair, House Committee on Appropriations
Representative Tim Briglin, Chair, House Committee on Energy and Technology
Senator Jane Kitchel, Chair, Senate Committee on Appropriations
Senator Ann Cummings, Chair, Senate Committee on Finance
Senator Chris Bray, Chair, Senate Committee on Natural Resources & Energy
Representative Marty Feltus, House Committee on Appropriations
Representative Laura Sibilia, House Committee on Energy and Technology

FROM: VPPSA
Vermont Electric Co-op
Washington Electric Co-op
Green Mountain Power
Burlington Electric Department
VELCO

RE: Federal and State Infrastructure Funding Request for a Cleaner and Greener Vermont

Clean electricity and a strong, connected grid are key to reducing greenhouse gas emissions to fight climate change. In Vermont, there has been much progress developing a clean electric supply backed by a reliable grid for all electric utility customers. This achievement is the result of steady, continued work over many years by Vermont’s utilities, local businesses, state elected officials, communities, and energy transformation partners. As we look towards the future, we know more must be done to make all communities in Vermont more resilient and more renewable, including our most rural areas, and to help all customers equitably access energy services that will lower their costs and cut carbon.

Attached is a list of the Vermont utilities’ top investment priorities for completing the grid updates necessary to bring Vermont’s grid into the future to reliably support the magnitude of beneficial electrification measures necessary to achieve our climate goals and save Vermonters money. Given dedicated funds, Vermont’s utilities have the crews, equipment, and know-how to put these investment dollars to work on “shovel-ready” projects to deliver these improvements right away to customers. We recognize that this is a critical moment to act and make progress on a faster pace. While developing the proposed list of investments, utilities worked together to identify the key priority areas for Vermont’s energy infrastructure needs with the following goals in mind:

- Make Vermont more resilient, affordable, and more green, accelerating progress way beyond what otherwise would be possible for customers.
- Promote equity by increasing affordability of innovative renewable energy programs for more Vermonters to reduce carbon and cut electricity costs.
- Strengthen the grid that is the critical backbone, enabling the acceleration of the clean energy transition to empower Vermonters to go electric.
- Support local jobs and boost the local economy – because many of the businesses, installers, energy resources, and equipment dealers for this work are right here in Vermont.

But Vermont, and other states, cannot do it alone. Federal and state infrastructure investments in the grid and for resiliency are needed in Vermont to keep electrification affordable, increasingly equitable and renewable, and reliable. Existing dollars already here in Vermont through the American Rescue Plan Act of 2021 and the federal infrastructure investments made in the bipartisan Infrastructure Investment and Jobs Act, as well as those proposed in the Build Back Better Act, can make a large and once in a lifetime impact on Vermont’s energy future.



In addition to continuing to support policies that are already moving forward and grant programs underway, Vermont utilities have developed a proposal that focuses on the needs and opportunities here in Vermont to accelerate the transformation forward. While the individual priorities encompassed within these categories may vary among utilities, **the utilities share the goal of setting Vermont up to modernize and strengthen the grid in order to best serve customers to meet our state's renewable energy goals now and into the future.** We propose that any funding allocations be distributed proportionally among utilities based on load to ensure that all of Vermont's electric customers benefit from these important grid investments.

There are many needs and opportunities out there, and we remain hopeful that federal infrastructure dollars will flow to Vermont and be prioritized in some of these key areas to directly benefit Vermonters. To start making progress quickly, we would like to draw your attention to some items in the category of "early action" – or investments that can and should be made now as they will set Vermont up for future success in an electrified and carbon-free future.

- Residential/business electrification make ready
Includes service upgrades, panel upgrades, and upsizing transformers
- Proactive Emerald Ash Borer Management
Reduces outages and increases safety. But notably the need to respond to the Emerald Ash Borer has spread throughout the state as a result of the changing climate. This would be a one-time spend to remove the remaining ash trees in the identified areas.
- Energy Storage
Accelerate deployment of long-duration storage in key areas of the state that can provide non-wire alternatives to transmission constraints and improve integration of renewable generation.

While the total cost of all opportunities we present below is large, we thought it was helpful to capture the total in each category. We have also prioritized investments that are one-time in nature and that are key to positioning Vermont to achieve our greenhouse gas emission reduction goals in a way that leaves no Vermonter behind. Many of these proposals can be spent over several years, and the scope can be adjusted based on available funds.

Thank you for your time, and we look forward to answering any questions.

	Proposal	Amount Requested	Policy Rationale
Resilience and Reliability	Strategic relocation/ upgrade of distribution infrastructure	\$593,224,000	Reduces outages, allows more Distributed Energy Resources (DER), reduces maintenance costs, and allows more confidence in electrification to reduce GHG. This includes undergrounding of key portions of distribution lines. <i>Anticipated Climate Action Plan recommendation.</i>
	Vegetation management (ROW clearing/ proactive EAB management)	\$178,657,477	Reduces outages and increases safety. Significant one-time investment that has seen need spread across the state as changing climate causes Emerald Ash Borer to spread.
Grid Modernization	Advanced metering infrastructure (AMI)	\$10,200,000	This request includes a 50% cost share, to allow for remaining utilities to install the technology. Enabling technology for energy transformation, load management, and dynamic rate design.
	Flexible load management/ distributed energy resource management systems	\$1,163,650	Proposal is one-year cost for upgrade to set up a DER platform and integrate resources.
	Distribution automation	\$68,231,176	This proposal includes two major initiatives: installing automatic Restoration systems between circuits on the distribution system and adding the necessary communications and infrastructure in substations to provide real time info for DERs.
Energy Transformation Equity	Energy Storage	\$10,000,000	Accelerate deployment of long-duration storage in key areas of the state that can provide non-wire alternatives to transmission constraints and improve integration of renewable generation.
	Residential/ business electrification make ready (service upgrades, panel upgrades, upsizing transformers)	\$676,575,095	Help Vermonters get ready to go electric. A barrier for many Vermonters is their home infrastructure - even with good rebate programs for heat pumps, electric vehicles, etc., they have undersized panels and lack of wiring to where they need it, which can drive up the cost of switching to cleaner technology. <i>Anticipated Climate Action Plan recommendation.</i>
Distributed Generation Integration	DG-unlocking transmission	\$668,192,000	Upgrade substation and transmission capacity across the Vermont grid to be prepared for both increased distributed generation and electrification.

Total: \$2,206,243,398