

1 S.109

2 Introduced by Senators Bray, Campion, Clarkson, Hardy, McCormack,
3 Pearson, Perchlik and Sirotkin

4 Referred to Committee on

5 Date:

6 Subject: Air pollution; climate change; building efficiency and weatherization;
7 Home Weatherization Assistance Fund; energy efficiency utility

8 Statement of purpose of bill as introduced: This bill proposes to set a goal of
9 weatherizing 120,000 homes and reduce greenhouse gas emissions within 10
10 years; to establish a thermal energy efficiency charge; to create a study
11 committee that will examine how best to expand the State's weatherization and
12 building energy efficiency programs, expand the workforce in the
13 weatherization and efficiency sectors; and to authorize a Public Utility
14 Commission proceeding concerning the thermal energy efficiency charge.

15 An act relating to the Vermonters' Enhanced Energy Savings Act

16 It is hereby enacted by the General Assembly of the State of Vermont:

17 Sec. 1. SHORT TITLE

18 This act may be cited as the Vermonters' Enhanced Energy Savings Act.

1 * * * Building Efficiency Goals and a Thermal Efficiency Charge * * *

2 Sec. 2. 10 V.S.A. § 581 is amended to read:

3 § 581. BUILDING EFFICIENCY GOALS

4 It shall be goals of the State:

5 (1) To improve substantially the energy fitness of at least ~~20 percent of~~
6 ~~the State's housing stock by 2017 (more than 60,000 housing units), and 25~~
7 ~~percent of the State's housing stock by 2020 (approximately 80,000 housing~~
8 ~~units)~~ 120,000 housing units and reduce greenhouse gas emissions by 0.32
9 MMTCO₂e by 2031.

10 * * *

11 Sec. 3. 33 V.S.A. § 2503 is amended to read:

12 § 2503. ~~FUEL TAX~~ THERMAL ENERGY EFFICIENCY CHARGE

13 (a) There is imposed a thermal efficiency charge which shall be composed
14 of the following:

15 (1) ~~There is imposed~~ a tax on the retail sale of unregulated fuels defined
16 pursuant to 30 V.S.A. § 209(e)(3)(F), including heating oil, propane, and
17 kerosene, and other dyed diesel fuel that are delivered in Vermont, at the rate
18 of \$0.02 per gallon.

19 (2) ~~There is imposed~~ a gross receipts tax of 0.75 percent on the retail
20 sale of natural gas and coal.

1 (3) ~~There is imposed~~ a gross receipts tax of 0.5 percent on the retail sale
2 of electricity.

3 (b) The ~~tax~~ thermal energy efficiency charge shall be levied upon and
4 collected monthly from the seller. Fuel sellers may itemize the ~~tax~~ charge on
5 the invoice or bill, and if the seller does itemize the amount, the invoice or bill
6 shall include a statement that the ~~tax~~ charge is “for support of Vermont’s Low
7 Income Home Weatherization Program.”

8 (c) The ~~tax~~ thermal energy efficiency charge shall be administered by the
9 Commissioner of Taxes, and all receipts shall be deposited by the
10 Commissioner in the Home Weatherization Assistance Fund. All provisions of
11 law relating to the collection, administration, and enforcement of the sales and
12 use tax imposed by 32 V.S.A. chapter 233 shall apply to the ~~tax~~ thermal energy
13 efficiency charge imposed by this chapter.

14 (d) No ~~tax~~ charge under ~~this~~ section (a)(1) shall be imposed for any month
15 ending after-June 30, 2024. On or before May 1, 2024, the Public Utility
16 Commission shall establish by order or rule a volumetric charge on
17 unregulated fuels for the support of thermal energy efficiency programs.

18 Sec. 4. 33 V.S.A. § 2501 is amended to read:

19 § 2501. HOME WEATHERIZATION ASSISTANCE FUND

20 (a) There is created in the State Treasury a fund to be known as the Home
21 Weatherization Assistance Fund to be expended by the Director of the State

1 Office of Economic Opportunity in accordance with federal law and this
2 chapter.

3 (b) The Fund shall be composed of the receipts from the ~~gross receipts tax~~
4 thermal energy efficiency charge on retail sales of fuel imposed by section
5 2503 of this title, such funds as may be allocated from the Oil Overcharge
6 Fund, such funds as may be allocated from the federal Low Income Energy
7 Assistance Program, such funds as may be deposited or transferred into the
8 Fund by the Vermont Low Income Trust for Electricity, and such other funds
9 as may be appropriated by the General Assembly.

10 * * *

11 * * * Study Committee and Report * * *

12 Sec. 5. STUDY COMMITTEE; REPORT

13 (a) Creation. There is created the Enhanced Energy Savings Study
14 Committee to study creating a complete system of delivery for services that
15 will reduce the cost of heating homes and businesses while also reducing their
16 greenhouse gas emissions. The Committee shall address providing sufficient
17 revenue to expand the State's weatherization and building energy efficiency
18 programs, creating a system of comprehensive and integrated counseling and
19 service delivery to support Vermonters with low and moderate-income in
20 improving the energy efficiency of their homes, expanding the workforce in
21 the weatherization and efficiency sectors, supporting the program of work

1 through the use of building and energy codes, and investigating the benefits of
2 an analogous statewide savings program for transportation energy efficiency.

3 (b) Membership. The Committee shall be composed of the following
4 members:

5 (1) Six current members of the House of Representatives, not all from
6 the same political party, who shall be appointed by the Speaker of the House to
7 represent each of the following Committees: Appropriations, Commerce and
8 Economic Development, Education, Energy and Technology, Transportation
9 and Ways and Means; and

10 (2) Six current members of the Senate, not all from the same political
11 party, who shall be appointed by the Committee on Committees to represent
12 each of the following Committees: Appropriations, Economic Development,
13 Housing, and Military Affairs, Education, Finance, Natural Resources and
14 Energy, and Transportation.

15 (3) The appointments shall be made within 15 days of passage of this
16 act.

17 (c) Powers and duties. The Committee shall study how to:

18 (1) Ensure sufficient revenue to support the programs and initiatives
19 necessary to weatherize and substantially improve the energy efficiency of at
20 least 120,000 housing units by 2031 pursuant to 10 V.S.A. § 581, including
21 how to:

1 (A) Ensure sufficient revenue to expand the Home Weatherization
2 Assistance Program and other programs that assist low and moderate-income
3 Vermonters in weatherizing and improving the energy efficiency of their
4 homes.

5 (B) Utilize existing and new revenue streams, including bonding,
6 innovative customer payment approaches including on the meter billing, the
7 collection of a thermal energy efficiency charge, and accessing health care
8 programs and funding to support weatherization and improving building
9 energy efficiency.

10 (2) Develop and implement a statewide integrated system of counseling
11 and service delivery that will support low and moderate-income Vermonters in
12 weatherizing and improving the energy efficiency of their homes, while
13 treating them with dignity and respect.

14 (3) Develop and sustain a skilled and well-paid workforce that will be
15 sufficient to meet the State's building efficiency and weatherization goals,
16 including how to:

17 (A) utilize the skills and customer networks of traditional fuel dealers
18 to ensure that they can adopt and prosper as customers transition to fuels with
19 lower carbon intensity, including low-carbon and no-carbon fuels;

20 (B) ensure workers with existing skills in construction-related fields,
21 including building design, construction, renovation, and maintenance, have the

1 training and expertise to work on weatherization and energy efficiency
2 projects; and

3 (C) attract, train, and retain new workers, including high school
4 students and members of traditionally disadvantaged communities and
5 communities that are underrepresented in the weatherization and energy
6 efficiency fields.

7 (4) Examine how building and energy codes can enhance the
8 implementation of weatherization and the transition to low-carbon and no-
9 carbon fuels.

10 (5) Provide customers, realtors, and contractors with information on
11 building codes and building weatherization, energy efficiency, and energy
12 benchmarking.

13 (6) Expand the programs and services provided to low and moderate-
14 income Vermonters by community action agencies to include transportation
15 efficiency and savings services.

16 (d) Administrative, fiscal, and legal support. The Committee shall receive:

17 (1) administrative assistance and support from the Office of Legislative
18 Operations;

19 (2) fiscal- and budget-related advice and support from the Joint Fiscal
20 Office; and

21 (3) legal advice and support from the Office of Legislative Counsel.

1 (e) Report. On or before January 14, 2022, the Committee shall report to
2 the House Committee on Energy and Technology and the Senate Committees
3 on Finance and on Natural Resources and Energy with its findings and any
4 recommendations for legislative action.

5 (f) Meetings.

6 (1) The Office of Legislative Counsel shall call the first meeting of the
7 Committee within 30 days of passage of this act.

8 (2) The Committee shall select a chair and vice chair from among its
9 members at the first meeting.

10 (3) A majority of the membership shall constitute a quorum.

11 (4) The Committee shall cease to exist on January 15, 2022.

12 (5) The Committee shall take testimony on its duties under subsection
13 (c) of this section from a wide variety of stakeholders and experts, including
14 the Department of Public Service, the Public Utility Commission, the Agency
15 of Commerce and Community Development, the Agency of Natural
16 Resources, and the Department of Labor.

17 (g) Compensation and reimbursement. For attendance at meetings during
18 adjournment of the General Assembly, a legislative member of the Committee
19 shall be entitled to per diem compensation and reimbursement of expenses
20 pursuant to 2 V.S.A. § 23 for not more than twelve meetings. These payments
21 shall be made from monies appropriated to the General Assembly.

1 * * * Public Utility Commission Proceeding and Report * * *

2 Sec. 6. PUBLIC UTILITY COMMISSION PROCEEDING AND REPORT

3 (a) The Public Utility Commission shall calculate the amount of funds
4 required to meet the goals of 10 V.S.A. § 581(1). The Commission shall:

5 (1) investigate how to collect the funds necessary to meet those goals.

6 This investigation shall include how best to assess, impose, and collect the
7 thermal energy efficiency charge, including:

8 (A) how the Commission should set the amount of the charge,
9 including the process the Commission should follow and the criteria and
10 factors the Commission should consider in determining whether to revise the
11 amount of the charge, including the carbon intensity of the fuel or energy
12 source; and

13 (B) how the charge should be utilized to support the State's building
14 efficiency, weatherization, and greenhouse gas emissions reduction goals.

15 (2) design a program for soliciting proposals to achieve the State's
16 greenhouse gas reductions, allocating funds to implement the program, and
17 monitoring the program's performance in meeting in goals.

18 (3) investigate any other topic or issue relevant to the thermal energy
19 efficiency charge that the Commission considers relevant.

20 (b) On or before December 17, 2021, the Commission shall report on its
21 findings and recommendations concerning the issues in subsection (a) of this

1 section, including any suggested statutory changes, to the Enhanced Energy
2 Savings Study Committee established pursuant to Sec. 5 of this act, to the
3 House Committee on Energy and Technology, and to the Senate Committees
4 on Finance and on Natural Resources and Energy.

5 * * * Effective Date * * *

6 Sec. 7. EFFECTIVE DATE

7 This act shall take effect on passage.