BILL AS INTRODUCED AND PASSED BY THE HOUSE	H.715
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1	H.715
2	Introduced by Committee on Energy and Technology
3	Date:
4	Subject: Climate change; air pollution; renewable energy; heating; fuel
5	Statement of purpose of bill as introduced: This bill proposes to establish the
6	Clean Heat Standard to reduce Vermont's greenhouse gas emissions from the
7	thermal sector. The Clean Heat Standard shall be administered by the Public
8	Utility Commission with assistance from the Clean Heat Standard Technical
9	Advisory Group and the Equity Advisory Group.
10	An act relating to the Clean Heat Standard
11	It is hereby enacted by the General Assembly of the State of Vermont:
12	Sec. 1. FINDINGS
13	The General Assembly finds:
14	(1) All of the legislative findings made in 2020 Acts and Resolves
15	No. 153, Sec. 2, the Vermont Global Warming Solutions Act of 2020, remain
16	true and are incorporated by reference here.
17	(2) Under the Vermont Global Warming Solutions Act of 2020 and
18	10 V.S.A. § 578, Vermont has a legal obligation to reduce greenhouse gas
19	emissions to specific levels by 2025, 2030, and 2050

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1	(3) The Vermont Climate Council was established under the Vermont
2	Global Warming Solutions Act of 2020 and was tasked with, among other
3	things, recommending necessary legislation to reduce greenhouse gas
4	emissions. The Initial Vermont Climate Action Plan calls for the General
5	Assembly to adopt legislation authorizing the Public Utility Commission to
6	administer the Clean Heat Standard consistent with the recommendations of
7	the Energy Action Network's Clean Heat Standard Working Group.
8	(4) As required by the Vermont Global Warming Solutions Act of 2020,
9	the Vermont Climate Council published the Initial Vermont Climate Action
10	Plan on December 1, 2021. As noted in that plan, over one-third of Vermont's
11	greenhouse gas emissions come from the thermal sector. Approximately
12	72 percent of Vermont's thermal energy use is fossil-based, including
13	43 percent from the combustion of fossil gas and propane and 29 percent from
14	the burning of heating oil.
15	(5) To meet the greenhouse gas emission reductions required by the
16	Vermont Global Warming Solutions Act of 2020, Vermont needs to transition
17	away from its current carbon-intensive building heating practices to lower-
18	carbon alternatives. It also needs to do this equitably, recognizing economic
19	effects on energy users, especially energy-burdened users; on the workforce
20	currently providing these services; and on the overall economy.

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1	Sec. 2. 30 V.S.A. chapter 94 is added to read:		
2	CHAPTER 94. CLEAN HEAT STANDARD		
3	§ 8121. CLEAN HEAT STANDARD		
4	(a) The Clean Heat Standard is established. Under this progra	m, obligated	
5	parties shall reduce greenhouse gas emissions attributable to the	Vermont	
6	thermal sector by retiring required amounts of clean heat credits	to meet the	
7	thermal sector portion of the greenhouse gas emission reduction	obligations of	
8	the Global Warming Solutions Act.		
9	(b) By rule or order, the Commission shall establish or adopt	a system of	
10	tradeable clean heat credits earned from the delivery of clean heat	nt measures	
11	that reduce greenhouse gas emissions.		
12	(c) An obligated party may obtain the required amount of clea	an heat credits	
13	through delivery of eligible clean heat measures, through contract	ets for delivery	
14	of eligible clean heat measures, through the market purchase of c	elean heat	
15	credits, or through delivery of eligible clean heat measures by a	designated	
16	statewide default delivery agent.		
	(d) The Public Utility Commission shall issue orders and may	also adopt	
	rules to design and implement the Clean Heat Standard.	4	Formatted: Left, Indent: Hanging: 0.67"
<u>17</u>	(d) The Commission shall design and implement the Clean He	eat Standard in a	Formatted: Left, Numbered + Level: 1 + Numbering Style: 1, 2, 3, + Start at: 1 + Alignment: Left +
18	manner that minimizes costs to customers and recognizes that af	fordable heating is	Aligned at: 0.57" + Indent at: 1.16"
19	essential for Vermonters.		
20	(e) Upon receiving the recommendations regarding cost-contains	ment mechanisms	

1	BILL AS INTRODUCED AND PASSED BY THE HOUSE 2022 provided by the Commission, the General Assembly shall determine the commission of the General Assembly shall determine the General Assembly shall determine the commission of the General Assembly shall determine the General Assembly s	H.715 Page 4 of 31 mine whether to enact	Formatted: Left
2 +3	legislation that adopts the Commission's recommendations.	•	Formatted: Left, Numbered + Level: 1 + Numbering Style: 1, 2, 3, + Start at: 1 + Alignment: Left + Aligned at: 0.57" + Indent at: 1.16"
2 4	§ 8122. DEFINITIONS As used in this chapter:	•	Formatted: Left, Numbered + Level: 1 + Numbering Style: 1, 2, 3, + Start at: 1 + Alignment: Left + Aligned at: 0.57" + Indent at: 1.16"
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1	(1) "Clean heat credit" means a tradeable, non-tangible commodity that	4	Formatted: Left
2	represents the amount of greenhouse gas reduction caused by a clean heat	4	Formatted: Left, Indent: Left: 0.57"
3	measure. The Commission shall establish a system of recognition for clean	4	Formatted: Left, Indent: Left: 0.57"
4	heat credits pursuant to this chapter.	4	Formatted: Left, Indent: Left: 0.57"
5	(2) "Clean heat measure" means fuel and technologies delivered and	4	Formatted: Left
6	installed to end-use customers in Vermont that reduce greenhouse gas	4	Formatted: Left, Indent: Left: 0.57"
7	emissions. Clean heat measures shall not include switching from one fossil	4	Formatted: Left, Indent: Left: 0.57"
8	fuel use to another fossil fuel use. The Commission may adopt a list of	4	Formatted: Left, Indent: Left: 0.57"
9	acceptable actions that qualify as clean heat measures.	4	Formatted: Left, Indent: Left: 0.57"
10	(3) "Commission" means the Public Utility Commission.	4	Formatted: Left
11	(4) "Default delivery agent" means the entity designated by the	4	Formatted: Left
12	Commission to provide services that generate tradeable clean heat credits.	4	Formatted: Left, Indent: Left: 0.49", Hanging: 0.67"
13	(5) "Entity" means any individual, trustee, agency, partnership,	4	Formatted: Left
14	association, corporation, company, municipality, political subdivision, or any	4	Formatted: Left, Indent: Left: 0.49", Hanging: 0.67"
15	other form of organization.	4	Formatted: Left, Indent: Left: 0.49", Hanging: 0.67"
16	(6) "Heating fuel" means fossil-based heating fuel, including oil,	4	Formatted: Left
17	propane, natural gas, coal, and kerosene.	4	Formatted: Left, Indent: Left: 0.49", Hanging: 0.67"
18	(7) "Obligated party" means:	4	Formatted: Left
19	(A) a regulated natural gas utility serving customers in Vermont; or	4	Formatted: Left
20	(B) for other heating fuels, the entity that makes the first sale of the	4	Formatted: Left
21	heating fuel into or in the State for consumption within the State.	4	Formatted: Left, Indent: Left: 0.49", Hanging: 0.67"

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1	(8) "Thermal sector" has the same meaning as the "Residential,	4	Formatted: Left
2	Commercial and Industrial Fuel Use" sector as used in the Vermont	4	Formatted: Left, Indent: Left: 0.57"
3	Greenhouse Gas Inventory and Forecast.	4	Formatted: Left, Indent: Left: 0.57"
4	§ 8123. CLEAN HEAT STANDARD COMPLIANCE	4	Formatted: Left, Indent: Left: 0.57"
5	(a) Required amounts.	4	Formatted: Left
6	(1) The Commission shall establish the number of clean heat credits that	4	Formatted: Left
7	each obligated party is required to retire each calendar year. The size of the	4	Formatted: Left, Indent: Left: 0.57"
,	each congated party is required to retire each eachedar year. The size of the		Tomatted. Left, filderit. Left. 0.57
8	annual requirement shall be set at a pace sufficient for Vermont's thermal	4	Formatted: Left, Indent: Left: 0.57"
9	sector to achieve lifecycle carbon dioxide equivalent (CO2e) emission	4	Formatted: Left, Indent: Left: 0.57"
10	reductions consistent with the requirements of 10 V.S.A. § 578(a) expressed as	4	Formatted: Left, Indent: Left: 0.49", Hanging: 0.67"
11	lifecycle greenhouse gas emissions pursuant to subsection 8124(d) of this title.	4	Formatted: Left, Indent: Left: 0.5"
12	(2) Annual requirements shall be expressed as a percent of each	4	Formatted: Left
13	obligated party's contribution to the thermal sector's lifecycle CO2e emissions	4	Formatted: Left, Indent: Left: 0.49", Hanging: 0.67"
14	in the previous year with the annual percentages being the same for all parties.	4	Formatted: Left, Indent: Left: 0.49", Hanging: 0.67"
15	To ensure understanding among obligated parties, the Commission shall, in a	4	Formatted: Left, Indent: Left: 0.49", Hanging: 0.67"
16	timely manner, publicly provide a description of the annual requirements in	4	Formatted: Left, Indent: Left: 0.49", Hanging: 0.67"
17	plain terms.	4	Formatted: Left, Indent: Left: 0.49", Hanging: 0.67"
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18	(3) The Commission may adjust the annual requirements for good cause	4	Formatted: Left
19	after notice and opportunity for public process. Good cause may include a	4	Formatted: Left, Indent: Left: 0.49", Hanging: 0.67"
20	shortage of clean heat credits or undue adverse financial impacts on particular	4	Formatted: Left, Indent: Left: 0.49", Hanging: 0.67"

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1 customers or demographic segments. Any downward adjustment shall be Formatted: Left 2 allowed for only a short, specified period. Formatted: Left 3 (4) To support the ability of the obligated parties to plan for the future, Formatted: Left 4 the Commission shall establish annual clean heat credit requirements for Formatted: Left 5 10 years with the required amounts being updated so 10 years' worth of Formatted: Left 6 requirements are always available. Every three years, the Commission shall Formatted: Left 7 extend the requirements three years, shall assess emission reductions actually Formatted: Left 8 achieved in the thermal sector, and, if necessary, revise the pace of clean heat Formatted: Left 9 credit requirements for future years to ensure that the thermal sector portion of Formatted: Left the emission reduction requirements of 10 V.S.A. § 578(a) for 2030 and 2050 10 Formatted: Left, Indent: Hanging: 0.67" 11 will be achieved. Formatted: Left 12 (b) Annual registration. Formatted: Left (1) Each entity that sells heating fuel in or into Vermont shall register 13 Formatted: Left 14 annually with the Commission by an annual deadline established by the Formatted: Left, Indent: Hanging: 0.67" 15 Commission. The form and information required in the registration shall be Formatted: Left, Indent: Hanging: 0.67" 16 determined by the Commission and shall include all data necessary to establish Formatted: Left, Indent: Hanging: 0.67" annual requirements under this chapter. The Commission shall use the 17 Formatted: Left, Indent: Hanging: 0.67" 18 information provided in the registration to determine whether the entity shall Formatted: Left, Indent: Hanging: 0.67" 19 be considered an obligated party and the amount of their annual requirement. Formatted: Left, Indent: Hanging: 0.67" 20 (2) At a minimum, the Commission shall require registration Formatted: Left 21 information to include legal name, doing business as name if applicable, Formatted: Left, Indent: Hanging: 0.67"

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1	municipality, state, type of heating fuel sold, and the volume of sales of	Formatted: Left
2	heating fuels into or in the State for final sale or consumption in the State in	Formatted: Left
3	the calendar year immediately preceding the calendar year in which the entity	Formatted: Left
4	is registering with the Commission.	Formatted: Left
5	(3) Each year, and not later than 30 days following the annual	Formatted: Left
6	registration deadline established by the Commission, the Commission shall	Formatted: Left
7	share complete registration information of obligated parties with the Agency	Formatted: Left
8	of Natural Resources and the Department of Public Service for purposes of	Formatted: Left
9	conducting the Vermont Greenhouse Gas Inventory and Forecast and meeting	Formatted: Left
10	the requirements of 10 V.S.A. § 591(b)(3).	Formatted: Left, Indent: Hanging: 0.67"
11	(4) The Commission shall maintain, and update annually, a list of	Formatted: Left
12	registered entities on its website that contains the required registration	Formatted: Left, Indent: Hanging: 0.67"
13	information, except that the public list shall not include heating fuel volumes	Formatted: Left, Indent: Hanging: 0.67"
14	reported.	Formatted: Left, Indent: Hanging: 0.67"
15	(5) For any entity not registered, the first registration form shall be due	Formatted: Left
16	30 days after the first sale of heating fuel to a location in Vermont.	Formatted: Left, Indent: Hanging: 0.67"
17	(6) Clean heat requirements shall transfer to entities that acquire an	Formatted: Left
18	obligated party.	Formatted: Left, Indent: Hanging: 0.67"
19	(c) Early action credits. Beginning on January 1, 2022, clean heat	Formatted: Left
20	measures that are installed and provide emission reductions are creditable and	Formatted: Left, Indent: Hanging: 0.67"
21	therefore count towards the future clean heat credit requirements of the	Formatted: Left, Indent: Hanging: 0.67"

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1	obligated party. Upon the establishment of the clean heat credit system,	4	Formatted: Left
2	entities may register credits for actions taken starting in 2022.	4	Formatted: Left
3	(d) Equitable distribution of clean heat measures.	4	Formatted: Left
4	(1) The Clean Heat Standard shall be designed and implemented to	4	Formatted: Left
5	enhance social equity by minimizing adverse impacts to low-income and	4	Formatted: Left
6	moderate-income customers and those households with the highest energy	4	Formatted: Left
7	burdens. The design shall ensure all customers have an equitably eopportunity	•	Formatted: Highlight
8 7		•	Formatted: Left, Space Before: 0.35 pt
9 <u>8</u>	to participate in, and benefit from, clean heat measures and services regardless of		Formatted: Left
10 9	heating fuel used, income level, geographic location, or homeownership status.	4	Formatted: Left
11 10	(2) A substantial portion of clean heat credits retired by each obligated	4	Formatted: Left
12 11	party shall be sourced from clean heat measures delivered to low-income and	4	Formatted: Left
13 12	moderate-income customers. The portion of each obligated party's required	4	Formatted: Left, Indent: Hanging: 0.67"
14 13	amount needed to satisfy the annual Clean Heat Standard requirement shall be	4	Formatted: Left, Indent: Hanging: 0.67"
15 14	at least 16 percent from low-income customers and 16 percent from moderate-	4	Formatted: Left, Indent: Hanging: 0.67"
16 15	income customers. The definitions of low-income customer and moderate-	4	Formatted: Left, Indent: Hanging: 0.67"
17 16	income customer shall be set by the Commission in consultation with equity	4	Formatted: Left, Indent: Hanging: 0.67"
18 17	stakeholders and in alignment with other existing definitions. The	4	Formatted: Left, Indent: Hanging: 0.67"
19 18	Commission may consider frontloading the credit requirements for low-	4	Formatted: Left, Indent: Hanging: 0.67"
	· · · · · · · · · · · · · · · · · · ·		. 55
20 19	income and moderate-income customers so that the greatest proportion of	4	Formatted: Left, Indent: Hanging: 0.67"
21 20	clean heat measures reach low-income and moderate-income Vermonters in the	4	Formatted: Left, Indent: Hanging: 0.67"
22 21	earlier years. In order to best serve low-income and moderate-income	-	Formatted: Left, Indent: Hanging: 0.67"

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1	customers, the Commission shall have authority to change these portions and		Formatted: Left	
1	customers, the commission shall have authority to change these portions and		Formatted: Left	
2	the criteria used to define low-income and moderate-income customers for		Formatted: No underline, Not Expanded by / Condensed by	
3	good cause, after notice and opportunity for public process	+/-	Formatted: Left	
		•	Formatted: Font: 12 pt, No underline	
1	—(3) In <u>-</u>		Formatted: Left, Indent: Left: 0.49", Hanging: 0.67", No bullets or numbering, Tab stops: Not at 1.16" + 1.16"	
4	(3) setting the percentage of clean heat measures that must be delivered to low-	$\neg \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \$	Formatted: Highlight	
5	income and moderate-income customers, the Commission shall take into account	•	Formatted: Left	
			Formatted: Font: 8 pt, No underline, Highlight	
<u>7</u>	uptake of other government-sponsored, low-income energy subsidies to support clean heat measures. A clean heat measure delivered to a customer qualifying for a		Formatted: List Paragraph, Left, Indent: Hanging: 0.58", Space Before: 0 pt, Numbered + Level: 1 + Numbering Style: 1, 2, 3, + Start at: 1 + Alignment: Left + Aligned at: 0.57" + Indent at: 1.16", Tab stops 1.16", Left + 1.16", Left	
	government sponsored, low-income energy subsidy shall qualify for clean heat	\ \'	Formatted: Font: 12 pt, Highlight	
			Formatted: Font: 12 pt	
4 5 8	credits required by subdivision (2) of this section. (e) Credit banking. The Commission shall allow an obligated party that		Formatted: Left, Numbered + Level: 1 + Numbering Style: 1, 2, 3, + Start at: 5 + Alignment: Left + Aligned at: 0.57" + Indent at: 1.16"	
69 710	has met its annual requirement in a given year to retain clean heat credits in excess of that amount for future sale or application to the obligated party's		Formatted: Left, Indent: Left: 0.57", Hanging: 0.98", Numbered + Level: 1 + Numbering Style: 1, 2, 3, + Start at: 1 + Alignment: Left + Aligned at: 0.57" + Indent at: 1.16"	
8 <u>11</u>	annual requirements in future compliance periods as determined by the		Formatted: Left, Numbered + Level: 1 + Numbering Style: 1, 2, 3, + Start at: 5 + Alignment: Left + Aligned at: 0.57" + Indent at: 1.16"	
912	Commission.		Formatted: Left, Numbered + Level: 1 + Numbering Style: 1, 2, 3, + Start at: 5 + Alignment: Left + Aligned at: 0.57" + Indent at: 1.16"	
10 <u>13</u> 11 <u>14</u>	(f) Default delivery agent.(1) An obligated party may meet its annual requirement through a		Formatted: Left, Numbered + Level: 1 + Numbering Style: 1, 2, 3, + Start at: 5 + Alignment: Left + Aligned at: 0.57" + Indent at: 1.16"	
12 15	designated default delivery agent appointed by the Commission. The default	•///	Formatted	
1213	designated details derivery agent appointed by the commission. The details	\ \ \	Formatted	<u></u>
13 16	delivery agent shall deliver creditable clean heat measures to Vermont homes	1/	Formatted	(
1.417			Formatted	<u></u>
14 17	and businesses when:		Formatted	(
15 18	(A) an obligated party chooses to assign its annual requirement to the	•	Formatted	
			Formatted	(
16 19	default delivery agent; or	•	Formatted	
			Formatted	

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17 20	(B) an obligated party fails to produce or acquire their required		4	Formatted: Le
				Style: 1, 2, 3, Aligned at: 0.
18 21	amount of clean heat credits.		•	Aligned at: 0.

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	1	(2) The Commission shall designate the default delivery a	•	Formatted: Left, Indent: Hanging: 0.98", Numbered + Level: 2 + Numbering Style: 1, 2, 3, + Start at: 1 + Alignment: Left + Aligned at: 0.57" + Indent at: 1.56"
	2	default delivery agent shall be a single statewide entity capable	of providing a	Formatted: Left, Indent: Left: 0.57", Hanging: 0.58",
1	3	variety of clean heat measures and hired-contracted for a multiy		Numbered + Level: 2 + Numbering Style: 1, 2, 3, + Start at: 1 + Alignment: Left + Aligned at: 0.57" + Indent at: 1.56"
	4	competitive procurement process. The entity selected as the def	ault delivery	Formatted: Left, Indent: Left: 0.57", Hanging: 0.58",
	5	agent may also be a market participant, but shall not be an oblig	gated party.	Numbered + Level: 2 + Numbering Style: 1, 2, 3, + Start at: 1 + Alignment: Left + Aligned at: 0.57" + Indent at: 1.56"
	6	(3) By rule or order, the Commission shall adopt annually	the cost per	Formatted: Left, Indent: Left: 0.57", Hanging: 0.58",
	7	clean heat credit to be paid to the default delivery agent by an o	bligated party	Numbered + Level: 2 + Numbering Style: 1, 2, 3, + Start at: 1 + Alignment: Left + Aligned at: 0.57" + Indent at: 1.56"
	8	that chooses this option. In making adjustments to the default d	lelivery agent	Formatted: Left, Indent: Left: 0.57", Hanging: 0.58",
	9	credit cost, the Commission shall consider the default delivery a	agent's	Numbered + Level: 2 + Numbering Style: 1, 2, 3, + Start at: 1 + Alignment: Left + Aligned at: 0.57" + Indent at: 1.56"
	10	anticipated costs to deliver clean heat measures and costs borne	by customers,	Formatted: Left, Indent: Hanging: 0.98", Numbered +
	11	among other factors determined by the Commission Changes to	a the rest of	Level: 2 + Numbering Style: 1, 2, 3, + Start at: 1 + Alignment: Left + Aligned at: 0.57" + Indent at: 1.56"
	11	among other factors determined by the Commission. Changes to	o the cost of	Formatted: Left, Indent: Left: 0.57", Hanging: 0.58",
	12	credits shall take effect not less than 180 days after adopted.	1	Numbered + Level: 2 + Numbering Style: 1, 2, 3, + Start at: 1 + Alignment: Left + Aligned at: 0.57" + Indent at: 1.56"
	13	(4) All funds received from noncompliance payments pur	suant to	Formatted: Left, Indent: Left: 0.57", Hanging: 0.58",
	14	subdivision (g)(2) of this section shall be used by the default de	livery agent to	Numbered + Level: 2 + Numbering Style: 1, 2, 3, + Start at: 1 + Alignment: Left + Aligned at: 0.57" + Indent at: 1.56"
	15	provide clean heat measures to low-income customers.	→ \\\\	Formatted: Left, Indent: Left: 0.57", Hanging: 0.58",
	16	(g) Enforcement.	→ \\\\\	Numbered + Level: 2 + Numbering Style: 1, 2, 3, + Start at: 1 + Alignment: Left + Aligned at: 0.57" + Indent at: 1.56"
	17	(1) The Commission shall have the authority to enforce the	<u>ne</u> • \\\\\	Formatted
	18	requirements of this chapter and any rules or orders adopted to	implement the	Formatted
	10	requirements of this enapter and any rules of orders adopted to	unprement me	Formatted
	19	provisions of this chapter. The Commission may use its existing	g authority •	Formatted
	20	under this title. As part of an enforcement order, the Commission	on may order	Formatted
	20	under and thie. As part of an emotecthen order, the Commission	n may order	Formatted
	21	penalties and injunctive relief.	1 ///	Formatted
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1	(2) The Commission may order an obligated party that fails to	to retire the	Formatted: Left, Indent: Hanging: 0.98", Numbered + Level: 3 + Numbering Style: 1, 2, 3, + Start at: 1 + Alignment: Left + Aligned at: 0.57" + Indent at: 1.56"	
2	number of clean heat credits required in a given year, including the amounts from low-income and moderate-income customers, to ma		Formatted: Left, Indent: Left: 0.57", Hanging: 0.58", Numbered + Level: 3 + Numbering Style: 1, 2, 3, + Start at: 1 + Alignment: Left + Aligned at: 0.57" + Indent at: 1.56"	
4	noncompliance payment to the default delivery agent. The per-cred	dit amount	Formatted: Left, Indent: Left: 0.57", Hanging: 0.58", Numbered + Level: 3 + Numbering Style: 1, 2, 3, + Start at: 1 + Alignment: Left + Aligned at: 0.57" + Indent at: 1.56"	
5 6	of the noncompliance payment shall be three times the amount estate the Commission under subsection (f) of this section for timely per-	-	Formatted: Left, Indent: Left: 0.57", Hanging: 0.58", Numbered + Level: 3 + Numbering Style: 1, 2, 3, + Start at: 1 + Alignment: Left + Aligned at: 0.57" + Indent at: 1.56"	
7 8	payments to the default delivery agent. (3) Any statements or other representations made by obligate		Formatted: Left, Indent: Left: 0.57", Hanging: 0.58", Numbered + Level: 3 + Numbering Style: 1, 2, 3, + Start at: 1 + Alignment: Left + Aligned at: 0.57" + Indent at: 1.56"	
9	related to compliance with the Clean Heat Standard are subject to a Commission's enforcement authority, including the power to invest		Formatted: Left, Indent: Left: 0.57", Hanging: 0.58", Numbered + Level: 3 + Numbering Style: 1, 2, 3, + Start at: 1 + Alignment: Left + Aligned at: 0.57" + Indent at: 1.56"	
11	assess penalties, under this title. (h) Records. The Commission shall establish requirements for the commission shall establish the commission of the c	he types of	Formatted: Left, Indent: Left: 0.57", Hanging: 0.58", Numbered + Level: 3 + Numbering Style: 1, 2, 3, + Start at: 1 + Alignment: Left + Aligned at: 0.57" + Indent at: 1.56"	
13 14	records to be submitted by obligated parties, a record retention sch required records, and a process for verification of records and data		Formatted: Left, Indent: Hanging: 0.98", Numbered + Level: 3 + Numbering Style: 1, 2, 3, + Start at: 1 + Alignment: Left + Aligned at: 0.57" + Indent at: 1.56"	
15	in compliance with the requirements of this chapter.	•	Formatted: Left, Indent: Left: 0.57", Hanging: 0.58", Numbered + Level: 3 + Numbering Style: 1, 2, 3, + Start at: 1 + Alignment: Left + Aligned at: 0.57" + Indent at: 1.56"	
16 17	(i) Reports. (1) For purposes of this subsection, "standing committees" r	<u> </u>	Formatted: Left, Indent: Left: 0.49", Hanging: 0.67", Numbered + Level: 3 + Numbering Style: 1, 2, 3, + Start at: 1 + Alignment: Left + Aligned at: 0.57" + Indent at: 1.56"	
18	House Committees on Energy and Technology and on Natural Res	ources, Fish,	Formatted	=
19	and Wildlife and the Senate Committees on Finance and on Natura	d Resources	Formatted	_
20	and Engage	_\\\\	Formatted	_
20	and Energy.	7////	Formatted	
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1	(2) After the adoption of the order implementing this chapter, the	Formatted: Left, Indent: Hanging: 0.98", Numbered Level: 4 + Numbering Style: 1, 2, 3, + Start at: 1 + Alignment: Left + Aligned at: 0.57" + Indent at: 1.56	
3	Commission shall submit a written report to the standing committees detailing the efforts undertaken to establish the Clean Heat Standard pursuant to this	Formatted: Left, Indent: Left: 0.57", Hanging: 0.58", Numbered + Level: 4 + Numbering Style: 1, 2, 3, + Start at: 1 + Alignment: Left + Aligned at: 0.57" + Indent at: 1.56"	
5	(3) On or before August 31 of each year following the year in which the	Formatted: Left, Indent: Left: 0.57", Hanging: 0.58", Numbered + Level: 4 + Numbering Style: 1, 2, 3, + Start at: 1 + Alignment: Left + Aligned at: 0.57" + Indent at: 1.56"	
67	order is first adopted under this section, the Commission shall submit to the standing committees a written report detailing the implementation and	Formatted: Left, Indent: Left: 0.57", Hanging: 0.58", Numbered + Level: 4 + Numbering Style: 1, 2, 3, + Start at: 1 + Alignment: Left + Aligned at: 0.57" + Indent at: 1.56"	
8	operation of the Clean Heat Standard. This report shall include an assessment on the equitable adoption of clean heat measures required by subsection (d) of	Formatted: Left, Indent: Hanging: 0.98", Numbered Level: 4 + Numbering Style: 1, 2, 3, + Start at: 1 + Alignment: Left + Aligned at: 0.57" + Indent at: 1.56	
10	this section, along with recommendations to increase participation for the	Formatted: Left, Indent: Left: 0.57", Hanging: 0.58", Numbered + Level: 4 + Numbering Style: 1, 2, 3, + Start at: 1 + Alignment: Left + Aligned at: 0.57" + Indent at: 1.56"	
11 12	households with the highest energy burdens. The provisions of 2 V.S.A. § 20(d) (expiration of required reports) shall not apply to the report to be made	Formatted: Left, Indent: Left: 0.57", Hanging: 0.58", Numbered + Level: 4 + Numbering Style: 1, 2, 3, + Start at: 1 + Alignment: Left + Aligned at: 0.57" + Indent at: 1.56"	
13 14	under this subsection. § 8124. TRADEABLE CLEAN HEAT CREDITS	Formatted: Left, Indent: Left: 0.57", Hanging: 0.58", Numbered + Level: 4 + Numbering Style: 1, 2, 3, + Start at: 1 + Alignment: Left + Aligned at: 0.57" + Indent at: 1.56"	
15 16	(a) By rule or order, the Commission shall establish or adopt a system of tradeable clean heat credits that may be earned by reducing greenhouse gas	Formatted: Left, Indent: Left: 0.57", Hanging: 0.58", Numbered + Level: 4 + Numbering Style: 1, 2, 3, + Start at: 1 + Alignment: Left + Aligned at: 0.57" + Indent at: 1.56"	
17	emissions through the delivery of clean heat measures. While credit	Formatted	(.
18	denominations may be in simple terms for public understanding and ease of	Formatted Formatted	<u>[</u>
19	use, the underlying value shall be based on units of carbon dioxide equivalent	Formatted	<u>.</u>
20	(CO2e). The system shall provide a process for the recognition, approval, and	Formatted	<u>.</u>
20		Formatted	<u>[.</u>
21	monitoring of the clean heat credits. The Department of Public Service shall	Formatted Formatted	<u>.</u>
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	1	perform the verification of clean heat credit claims and submit results of the	Formatted: Left
	2	verification and evaluation to the Commission annually.	Formatted: Left
	3	(b) Clean heat credits shall be based on the lifecycle CO2e emission	Formatted: Left
	4	reductions that result from the delivery of eligible clean heat measures to end	Formatted: Left
	5	use customer locations in or into Vermont. For clean heat measures that are	installed, Formatted: Highlight
		the value of the clean heat credits shall be the total lifecycle CO2e emission	of the
		heating fuel whose use is avoided by the installation of the measure, minus to lifecycle CO2e emissions of the energy that would be used instead over the	
		inecycle Co2e emissions of the energy that would be used histead over the	me of the
'		measures. Eligible clean heat measures delivered to or installed in Vermon include:	nt shall
	6	(1) the installation of thermal energy efficiency improvements and	Formatted: Left
		weatherization;	
	7	(2) the supply of sustainably sourced biofuels;	Formatted: Left
	8	(3) renewable natural gas and low emission advanced gases;	Formatted: Left
	9	(4) green hydrogen;	Formatted: Left
	10	(45) the installation of cold-climate heat pumps and efficient electric	Formatted: Left
	11	appliances providing thermal end-uses;	Formatted: Left
	12	(56) advanced wood heating appliances and systems; and	Formatted: Left
	13	(67) renewable energy-based district heating services.	Formatted: Left
	14	(c) For pipeline renewable natural gas and other renewably generated	Formatted: Left
	15	natural gas substitutes to be eligible, an obligated party shall purchase	Formatted: Left, Indent: Hanging: 0.67"
	16	renewable natural gas and its associated renewable attributes and demonstrate	Formatted: Left, Indent: Hanging: 0.67"
	17	that it has secured a contractual pathway for the physical delivery of the gas	Formatted: Left, Indent: Hanging: 0.67"

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from the point of injection into the pipeline to the obligated party's delivery

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19	system.	•	Formatted: Left, Indent: Hanging: 0.67"
20	(d) To promote certainty for obligated parties and clean heat providers, the	4	Formatted: Left
21	Commission shall, by rule or order, establish a schedule of lifecycle emission	•	Formatted: Left, Indent: Hanging: 0.67"
1	rates for heating fuels and eligible clean heat measures. The schedule shall be	4	Formatted: Left
2	based on transparent and accurate emissions accounting adapting the Argonne	•	Formatted: Left
3	National Laboratory GREET Model, Intergovernmental Panel on Climate Change	4	Formatted: Left
	(IPCC) modeling, or an alternative of comparable analytical		
4	rigor to achieve the thermal sector greenhouse gas emissions reductions	•	Formatted: Left
5	necessary in order to meet the sector's share of the requirements of 10 V.S.A.	•	Formatted: Left
6	§ 578(a), accurate accounting of biogenic and geologic emissions, and to deter	4	Formatted: Left
	substantial unintended harmful consequences. The schedule may be amended based		
	upon changes in technology or evidence on emissions, but clean heat credits		
	previously awarded shall not be adjusted retroactively.		
7	(e) Clean heat credits shall be "time stamped" for the year in which the	4	Formatted: Left
8	clean heat measure is delivered as well as each subsequent year during which	4	Formatted: Left
9	the measure produces emission reductions. Only clean heat credits with the	•	Formatted: Left, Indent: Hanging: 0.67"
10	current year time stamp, and credits banked from previous years, shall be	•	Formatted: Left, Indent: Hanging: 0.67"
11	eligible to satisfy the current year obligation.	•	Formatted: Left, Indent: Hanging: 0.67"
12	(f) Clean heat credits can be earned only in proportion to the deemed or	4	Formatted: Left
13	measured thermal sector greenhouse gas emission reductions achieved by a	4	Formatted: Left, Indent: Hanging: 0.67"
14	clean heat measure delivered in Vermont. Other emissions offsets, wherever	•	Formatted: Left, Indent: Hanging: 0.67"
15	located, shall not be eligible measures.	•	Formatted: Left, Indent: Hanging: 0.67"
16	(g) All eligible clean heat measures that are delivered in Vermont shall be	4	Formatted: Left
	eligible for clean heat credits accounted for in the Commission's design of the	•	Formatted: Highlight
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program. The Commission shall determine and may be retired and count towards an		
emission reductions resulting from programs delivered under 30 V.S.A. §209 or 30 V.S.A. §8005 the State's energy efficiency programs, the	4	Formatted: Left
V.3.74. 80003 the state a energy efficiency programs, the		
2 (1) This determination shall be made after consideration of at least the overall costs and benefits to Vermonters of		
3 including the clean heat measures installed through existing programs under the	•	Formatted: Left
4 Clean Heat Standard, including impacts of competition between regulated entities and the	-	Formatted: Left
administrative and transaction costs of doing so.		
5 (2) The Commission shall determine whether a requirement that a certain portion	4	Formatted: Left
6 of Clean Heat Credits in each compliance year be acquired from weatherization	4	Formatted: Left
		(Totaliana)
7 projects should be imposed in order to further the State's building efficiency goals.	4	Formatted: Left
8 (3) The Commission shall determine whether the total value a Clean Heat Credit for an	4	Formatted: Left
9 installed measure shall be claimed in the year it is installed whether the annual value of that	t 4	Formatted: Left
7 Histaries Headard Shall be extined in the 7 cm.		Tomateu. Leit
10 credit shall be applied each year of the measure life.	4	Formatted: Left
10 credit shall be applied each year of the measure life. 611 (h)(1) The Commission shall create a registration system to lower		Formatted: Left Formatted: Left
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611 (h)(1) The Commission shall create a registration system to lower	•	Formatted: Left
(h)(1) The Commission shall create a registration system to lower administrative barriers to individuals and businesses seeking to register qualified actions eligible to earn clean heat credits and to facilitate the transfer	•	Formatted: Left Formatted: Left Formatted: Left
(h)(1) The Commission shall create a registration system to lower administrative barriers to individuals and businesses seeking to register qualified actions eligible to earn clean heat credits and to facilitate the transfer of credits to obligated parties. The Commission may hire a third-party		Formatted: Left Formatted: Left Formatted: Left Formatted: Left
(h)(1) The Commission shall create a registration system to lower administrative barriers to individuals and businesses seeking to register qualified actions eligible to earn clean heat credits and to facilitate the transfer of credits to obligated parties. The Commission may hire a third-party consultant to evaluate, develop, implement, maintain, and support a database	· · · · · · · · · · · · · · · · · · ·	Formatted: Left Formatted: Left Formatted: Left
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(h)(1) The Commission shall create a registration system to lower administrative barriers to individuals and businesses seeking to register qualified actions eligible to earn clean heat credits and to facilitate the transfer of credits to obligated parties. The Commission may hire a third-party consultant to evaluate, develop, implement, maintain, and support a database		Formatted: Left Formatted: Left Formatted: Left Formatted: Left
(h)(1) The Commission shall create a registration system to lower administrative barriers to individuals and businesses seeking to register qualified actions eligible to earn clean heat credits and to facilitate the transfer of credits to obligated parties. The Commission may hire a third-party consultant to evaluate, develop, implement, maintain, and support a database or other means for tracking clean heat credits and compliance with the annual		Formatted: Left Formatted: Left Formatted: Left Formatted: Left Formatted: Left, Indent: Hanging: 0.67"
(h)(1) The Commission shall create a registration system to lower 712 administrative barriers to individuals and businesses seeking to register 813 qualified actions eligible to earn clean heat credits and to facilitate the transfer 914 of credits to obligated parties. The Commission may hire a third-party 1015 consultant to evaluate, develop, implement, maintain, and support a database 1116 or other means for tracking clean heat credits and compliance with the annual 1217 requirements of obligated parties.		Formatted: Left Formatted: Left Formatted: Left Formatted: Left Formatted: Left, Indent: Hanging: 0.67"
(h)(1) The Commission shall create a registration system to lower administrative barriers to individuals and businesses seeking to register qualified actions eligible to earn clean heat credits and to facilitate the transfer of credits to obligated parties. The Commission may hire a third-party consultant to evaluate, develop, implement, maintain, and support a database or other means for tracking clean heat credits and compliance with the annual requirements of obligated parties. (2) The system shall require entities to submit the following information to receive the credit: the location of the clean heat measure, whether the		Formatted: Left Formatted: Left Formatted: Left Formatted: Left Formatted: Left, Indent: Hanging: 0.67" Formatted: Left Formatted: Left Formatted: Left
611 (h)(1) The Commission shall create a registration system to lower 712 administrative barriers to individuals and businesses seeking to register 813 qualified actions eligible to earn clean heat credits and to facilitate the transfer 914 of credits to obligated parties. The Commission may hire a third-party 1015 consultant to evaluate, develop, implement, maintain, and support a database 1116 or other means for tracking clean heat credits and compliance with the annual 1217 requirements of obligated parties. 1318 (2) The system shall require entities to submit the following information 1419 to receive the credit: the location of the clean heat measure, whether the 1520 customer or tenant has a low or moderate income, the type of property where		Formatted: Left Formatted: Left Formatted: Left Formatted: Left, Indent: Hanging: 0.67" Formatted: Left, Indent: Hanging: 0.67" Formatted: Left Formatted: Left, Indent: Hanging: 0.67"
(h)(1) The Commission shall create a registration system to lower administrative barriers to individuals and businesses seeking to register qualified actions eligible to earn clean heat credits and to facilitate the transfer of credits to obligated parties. The Commission may hire a third-party consultant to evaluate, develop, implement, maintain, and support a database or other means for tracking clean heat credits and compliance with the annual requirements of obligated parties. (2) The system shall require entities to submit the following information to receive the credit: the location of the clean heat measure, whether the		Formatted: Left Formatted: Left Formatted: Left Formatted: Left Formatted: Left, Indent: Hanging: 0.67" Formatted: Left Formatted: Left Formatted: Left

1823 (i) Nothing in this chapter shall limit the authority of the Secretary of 1924 Natural Resources to compile and publish the Vermont Greenhouse Gas Formatted: Left, Indent: Hanging: 0.67"	17 <u>22</u>	BILL AS INTRODUCED AND PASSED BY THE HOUSE 2022 Pag and any other information as required by the Commission.	H.715 ge 19 of 31		
	18 23	(i) Nothing in this chapter shall limit the authority of the Secretary	of	Formatted: Lef	it
2025 Emissions Inventory in accordance with 10 V S A 8 582	19 24	Natural Resources to compile and publish the Vermont Greenhouse G	tas •	Formatted: Lef	t, Indent: Hanging: 0.67"
Emissions inventory in accordance with 10 V.B.R. § 302.	20 25	Emissions Inventory in accordance with 10 V.S.A. § 582.	-	Formatted: Lef	t, Indent: Hanging: 0.67"

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1		§ 8125. CLEAN HEAT STANDARD TECHNICAL ADVISORY GROUP	4	Formatted: Left
2		(a) The Commission shall establish the Clean Heat Standard Technical	4	Formatted: Left
3		Advisory Group to assist the Commission in the ongoing management of the	4	Formatted: Left
4		Clean Heat Standard. Its duties shall include:	4	Formatted: Left
5		(1) establishing and revising the lifecycle carbon dioxide equivalent	•	Formatted: Left
6		(CO2e) emissions accounting methodology to be used to determine each	4	Formatted: Left
7		obligated party's annual requirement pursuant to subdivision 8123(a)(2) of this	4	Formatted: Left
8		chapter;	4	Formatted: Left
9		(2) establishing and revising the clean heat credit value for different	4	Formatted: Left
10	0	clean heat measures;	4	Formatted: Left
11		(3) Periodically assess and report to the Commission on assessing the		
		sustainability of the production of clean heat measures by considering	4	Formatted: Left
		factors including greenhouse gas emissions; carbon sequestration and storage;		
		human health; land use changes; ecological and biodiversity impacts; groundwater		
		and surface water impacts; air, water, and soil pollution; and increases in food costs;		
ļ	12	(4) setting the lifespan length of clean heat measures for the purpose of		
	13	calculating credit values:	4	Formatted: Indent: Left: 0.49", Hanging: 0.67"
	14	(5) establishing credit values for each year over a clean heat measure's		
	15	life, including adjustments to account for increasing interactions between clean	•	Formatted: Indent: Left: 0.49", Hanging: 0.67"
	16	heat measures over time so as to not double-count emission reductions:	4	Formatted: Indent: Left: 0.49", Hanging: 0.67"
	17	(6) facilitating the program's coordination with other energy programs;		Formatted: Highlight
	18	(7) calculating the impact of the cost of clean heat credits and the cost		
	19	savings associated with delivered clean heat measures on per-unit heating fuel	•	Formatted: Indent: Left: 0.49", Hanging: 0.67"

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20	prices:			Formatted: Indent: Left: 0.49", Hanging: 0.67"
1	(8) coordinating with the Agency of Natural Resources to e	ensure that	•	Formatted: Left
2	greenhouse gas emissions reductions achieved in another sector to	through the	4	Formatted: Left, Indent: Left: 0.57"
3	implementation of the Clean Heat Standard are not double-count	ted in the	4	Formatted: Left, Indent: Left: 0.57"
4	Vermont Greenhouse Gas Emissions Inventory and Forecast proc	duced by the	4	Formatted: Left, Indent: Left: 0.57"
5	Agency of Natural Resources pursuant to 10 V.S.A. § 582;		4	Formatted: Left, Indent: Left: 0.57"
6	(9) advising the Commission on the periodic assessment ar	nd revision	•	Formatted: Left
7	requirement established in subdivision 8123(a)(4) of this chapter	r; and	4	Formatted: Left, Indent: Left: 0.57"
8	(10) any other matters referred to the Clean Heat Standard	Technical	4	Formatted: Left
9	Advisory Group by the Commission.		4	Formatted: Left, Indent: Left: 0.57"
10	(b) Members of the Clean Heat Standard Technical Advisory	Group shall	•	Formatted: Left
11	be appointed by the Commission and -shall include the Departme	ent of Public	4	Formatted: Left, Indent: Left: 0.49", Hanging: 0.67"
	Service, the Department of Environmental Conservation Agency	of Natural Resources		
	and parties who have, or whose representatives have, experience	e in one or more of		
	the following areas: technical and analytical expertise in measur	ring lifecycle		
	greenhouse gas emissions; energy modeling and data analysis; energy modeling analysis and data analysis analysis analysis and data analysis analysis analysis and data analysis analysis and data analysis and data analysis and data analysis analysis and data analysis analys	xpertise in clean heat		
	measures and energy technologies; expertise in sustainability and	d non-greenhouse gas		
	amissions stratagies designed to reduce and avoid impacts to the	anvironment:		

expertise in delivery of heating fuels in cold climates; and expertise in climate change

mitigation policy and law. The Commission shall accept and review motions to join

the TAG from interested parties who have, or whose representatives have, expertise in

one or more of the areas listed in this subsection. at a minimum shall include at least-

one representative from each of the following groups: the obligated parties, the

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Page 22 of 31 Department of Public Service, the Department of Environmental Conservation, Efficiency Vermont, the electric utilities, and environmental organizations. Members who are not otherwise compensated by their employer shall be entitled to per diem compensation and reimbursement for expenses under 32 V.S.A. § 1010. Formatted: Left 18 (c) The Commission shall hire a third-party consultant responsible for 19 developing clean heat measure characterizations and relevant assumptions, Formatted: Indent: Left: 0.49", Hanging: 0.67" 20 including CO2e lifecycle emissions analyses. The Clean Heat Standard Formatted: Indent: Left: 0.49", Hanging: 0.67" Technical Advisory Group shall provide input and feedback on the Formatted: Left 2 consultant's work. Formatted: Left 3 (d) Emission analyses and associated assumptions developed by the Formatted: Left 4 consultant shall be reviewed and approved annually by the Commission. In Formatted: Left 5 reviewing the consultant's work, the Commission shall provide a public Formatted: Left 6 comment period on the work. The Commission may approve or adjust the Formatted: Left 7 consultant's work as it deems necessary based on its review and the public Formatted: Left 8 comments received. Formatted: Left 9 § 8126. CLEAN HEAT STANDARD EQUITY ADVISORY GROUP Formatted: Left 10 (a) The Commission shall establish the Clean Heat Standard Equity Formatted: Left 11 Advisory Group to assist the Commission in developing and implementing the Formatted: Left 12 Clean Heat Standard in a manner that ensures an equitable share of clean heat Formatted: Left, Indent: Hanging: 0.67" 13 measures are delivered to low-income and moderate-income Vermonters, and Formatted: Left, Indent: Hanging: 0.67" that low-income and moderate-income Vermonters who are not early 14 Formatted: Left, Indent: Hanging: 0.67" 15 participants in clean heat measures are not negatively impacted in their ability Formatted: Left, Indent: Hanging: 0.67" 16 to afford heating fuel. Its duties shall include: Formatted: Left, Indent: Hanging: 0.67" 17 (1) providing feedback to the Commission on strategies for engaging Formatted: Left low-income and moderate-income Vermonters in the public process around

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Page 23 of 31 development of the Clean Heat Standard; 1 (2) supporting the Commission in assessing whether customers are Formatted: Left 2 equitably served by clean heat measures and how to increase equity in this Formatted: Left, Indent: Left: 0.57" 3 area; Formatted: Left, Indent: Left: 0.57" 4 (3) identifying actions needed to provide better service to, and mitigate Formatted: Left 5 the fuel price impacts calculated in section 8125 of this title on low-income Formatted: Left. Indent: Left: 0.57" and moderate-income customers; 6 Formatted: Left, Indent: Left: 0.57" 7 (4) recommending any additional programs, incentives, or funding Formatted: Left needed to support low-income and moderate-income customers, and 8 Formatted: Left, Indent: Left: 0.57" organizations that provide social services to Vermonters, in affording heating Formatted: Left, Indent: Left: 0.57" 10 fuel and other heating expenses; and Formatted: Left, Indent: Left: 0.49", Hanging: 0.67" 11 (5) providing feedback to the Commission on the impact of the Clean Formatted: Left 12 Heat Standard on the everyday experience of low-income and moderate-Formatted: Left, Indent: Left: 0.49", Hanging: 0.67" 13 income Vermonters; and-Formatted: Left, Indent: Left: 0.49", Hanging: 0.67" 14 (6) providing recommendations to the Commission on the challenges renters Formatted: Left face in being equitably served by clean heat measures, and how to ensure that renters have equitable access to clean heat measures. 15 (b) The Clean Heat Standard Equity Advisory Group shall consist of up to Formatted: Left 16 10 members appointed by the Commission and at a minimum shall include at Formatted: Left, Indent: Left: 0.49", Hanging: 0.67" 17 least one representative from each of the following groups: the Department of Formatted: Left, Indent: Left: 0.49", Hanging: 0.67" Public Service, the Department for Children and Families Office of Economic 18 Formatted: Left, Indent: Left: 0.49", Hanging: 0.67" 19 Opportunity, community action agencies, Efficiency Vermont, individuals with Formatted: Left, Indent: Left: 0.49", Hanging: 0.67"

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socioeconomically, racially, and geographically diverse backgrounds, renters

and rental property owners, and a member of the Vermont Fuel Dealers

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22	Association. Members who are not otherwise compensated by their employer	Formatted: Left, Indent: Left: 0.49", Hanging: 0.67"
1	shall be entitled to per diem compensation and reimbursement for expenses	
2	under 32 V.S.A. § 1010.	
3	Sec. 3. PUBLIC UTILITY COMMISSION IMPLEMENTATION	Formatted: Left
4	(a) Commencement. On or before August 31, 2022, the Public Utility	Formatted: Left
5	Commission shall commence a proceeding to implement Sec. 2 (Clean Heat	Formatted: Left
6	Standard) of this act.	Formatted: Left
7	(b) Facilitator. On or before October 1, 2022, the Commission shall hire a	Formatted: Left
8	third-party consultant to design and conduct public engagement. The	Formatted: Left
9	Commission may use funds appropriated under this act on hiring the	Formatted: Left
10	consultant.	Formatted: Left, Indent: Hanging: 0.67"
11	(c) Public engagement process. The Commission shall use the forms of	Formatted: Left
12	public engagement described in this subsection to inform the design and	Formatted: Left, Indent: Hanging: 0.67"
13	implementation of the Clean Heat Standard.	Formatted: Left, Indent: Hanging: 0.67"
14	(1) The Commission shall hold at least six hybrid public meetings that	Formatted: Left
15	allow members of the public to participate in person and remotely. The	Formatted: Left, Indent: Hanging: 0.67"
16	meetings shall be held in at least six different regions of the State. The	Formatted: Left, Indent: Hanging: 0.67"
17	meetings shall be recorded and publicly posted on the Commission's website.	Formatted: Left, Indent: Hanging: 0.67"
18	(2) In order to receive focused feedback from specific constituents, the	Formatted: Left
19	Commission, with the assistance of the consultant, shall also hold at least four	Formatted: Left, Indent: Hanging: 0.67"
20	meetings using deliberative polling. The facilitator shall assist the	Formatted: Left, Indent: Hanging: 0.67"
21	Commission in developing a format for using deliberative polling at the	Formatted: Left, Indent: Hanging: 0.67"

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1 meetings. Each of these meetings shall focus on seeking input from a specific Formatted: Left 2 group, including heating fuel dealers; low-income, moderate-income, and Formatted: Left 3 fixed-income customers and advocates; and customers who use large amounts Formatted: Left 4 of heating fuel. Formatted: Left 5 (3) The Commission shall hold at least two workshops to solicit the Formatted: Left 6 input of potentially affected parties. The Commission shall provide notice of Formatted: Left 7 the workshops on its website and directly to the Department of Public Service, Formatted: Left 8 Vermont's fuel wholesalers and retail fuel suppliers, renewable energy Formatted: Left 9 advocates, environmental and consumer advocacy organizations, organizations Formatted: Left 10 that serve low- and moderate-income Vermonters, organizations that serve Formatted: Left, Indent: Hanging: 0.67" 11 older Vermonters, entities that provide weatherization services, energy Formatted: Left 12 transition providers, regional planning commissions, municipal energy Formatted: Left, Indent: Hanging: 0.67" commissions, community action agencies, environmental justice organizations, 13 Formatted: Left, Indent: Hanging: 0.67" 14 financial institutions with experience implementing low-income financing Formatted: Left, Indent: Hanging: 0.67" 15 programs, affordable housing advocates, the Office of Economic Opportunity, Formatted: Left, Indent: Hanging: 0.67" 16 the regional development corporations, and to any other person that requests Formatted: Left, Indent: Hanging: 0.67" direct notice or to whom the Commission may consider direct notice 17 Formatted: Left, Indent: Hanging: 0.67" 18 appropriate. The Commission also shall provide an opportunity for Formatted: Left, Indent: Hanging: 0.67" 19 submission of written comments, which the notice shall include. Formatted: Left, Indent: Hanging: 0.67" 20 (d) Draft order. The Commission shall publicly publish a draft order and Formatted: Left 21 provide notice of it to the stakeholders who participated in the workshops. Formatted: Left, Indent: Hanging: 0.67"

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1	The Commission shall provide a 30-day comment period on the draft and	•	Formatted: Left
2	accept written comments from the public and stakeholders. The Commissions	•	Formatted: Left
3	shall incorporate necessary changes in response to the public comments before	4	Formatted: Left
4	adopting the final order.	4	Formatted: Left
5	(e) Advertising. The Commission shall use funding appropriated in this act	4	Formatted: Left
6	on advertising the public meetings in order to provide notice to a wide variety	4	Formatted: Left
7	of segments of the public.	4	Formatted: Left
8	(f) Order. On or before July 1, 2024, the Commission shall issue an order	4	Formatted: Left
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9	to take effect on January 1, 2025 that initially implements Sec. 2 (Clean Heat		Formatted: Left
10	Standard) of this act.	4	Formatted: Left, Indent: Hanging: 0.67"
11	(g) Consultant. On or before January 15, 2023, the Commission shall	4	Formatted: Left
12	contract with a consultant to assist with implementation of 30 V.S.A. § 8124	4	Formatted: Left, Indent: Hanging: 0.67"
13	(clean heat credits).	•	Formatted: Left, Indent: Hanging: 0.67"
14	(h) Funding. On or before January 15, 2023, the Commission shall report	4	Formatted: Left
15	to the General Assembly on suggested revenue streams that may be used or	4	Formatted: Left, Indent: Hanging: 0.67"
16	created to fund the Commission's administration of the Clean Heat Standard	4	Formatted: Left, Indent: Hanging: 0.67"
17	program.	4	Formatted: Left, Indent: Hanging: 0.67"
18	(i) Reports. On or before March January 15, 2023 and January 15, 2024, the	4	Formatted: Left
40			Formatted: Highlight
19	Commission shall submit a written report and hold hearings with the House	•	Formatted: Left, Indent: Hanging: 0.67"
20	Committees on Energy and Technology and on Natural Resources, Fish, and	4	Formatted: Left, Indent: Hanging: 0.67"
21	Wildlife and to the Senate Committees on Finance and on Natural Resources	4	Formatted: Left, Indent: Hanging: 0.67"

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1	and Energy detailing the efforts undertaken to establish the Clean Heat	Formatted: No underline, Not Expanded by / Condensed by
		Formatted: Left
1	Standard pursuant to this chapter, and, to the extent available, estimates of the	Formatted: Highlight
		Formatted: Left
1	impact of the Clean Heat Standard on customers, including impacts to customer rates and fuel bills.	Formatted: List Paragraph, Left, Indent: Hanging: 0.58", Space Before: 0 pt, Numbered + Level: 1 + Numbering Style: 1, 2, 3, + Start at: 1 + Alignment: Left + Aligned at: 0.57" + Indent at: 1.16", Tab stops: 1.16", Left + 1.16", Left
	(1) The 2023 report shall include modeled impacts of the Clean Heat Standard on	Formatted: Left
	customers, including: impacts to customer rates and fuel bills for participating and non-participating customers, fossil fuel reductions, and greenhouse gas	Formatted: List Paragraph, Left, Indent: Hanging: 0.58", Space Before: 0 pt, Numbered + Level: 1 + Numbering Style: 1, 2, 3, + Start at: 1 + Alignment: Left + Aligned at: 0.57" + Indent at: 1.16", Tab stops: 1.16", Left + 1.16", Left
	reductions. The modeled impacts shall estimate high, medium, and low price and	Formatted: Left
		Formatted: Font: 12 pt, Highlight
	GHG reduction impacts. Based upon the information regarding projected costs, the Commission shall recommend cost containment mechanisms to be included in	Formatted: Indent: Left: 1.41", No bullets or numbering
	statute.(2), The 2024 report shall update the estimates provided in the 2023 report,	Formatted: Highlight
		Formatted: Highlight Formatted: Font: 12 pt, Highlight
2	(2). The 2024 report shall update the estimates provided in the 2023 report.	
2		Formatted: Font: 12 pt, Highlight
2 3	(2). The 2024 report shall update the estimates provided in the 2023 report.	Formatted: Font: 12 pt, Highlight Formatted: Font: 12 pt
3	(2), The 2024 report shall update the estimates provided in the 2023 report, Sec. 4. PUBLIC UTILITY COMMISSION AND DEPARTMENT OF PUBLIC SERVICE POSITIONS; APPROPRIATION	Formatted: Font: 12 pt, Highlight Formatted: Font: 12 pt Formatted: Left
	(2), The 2024 report shall update the estimates provided in the 2023 report, Sec. 4. PUBLIC UTILITY COMMISSION AND DEPARTMENT OF	Formatted: Font: 12 pt, Highlight Formatted: Font: 12 pt Formatted: Left Formatted: Left
3	(2), The 2024 report shall update the estimates provided in the 2023 report, Sec. 4. PUBLIC UTILITY COMMISSION AND DEPARTMENT OF PUBLIC SERVICE POSITIONS; APPROPRIATION	Formatted: Font: 12 pt, Highlight Formatted: Font: 12 pt Formatted: Left Formatted: Left Formatted: Left
3	(2), The 2024 report shall update the estimates provided in the 2023 report. Sec. 4. PUBLIC UTILITY COMMISSION AND DEPARTMENT OF PUBLIC SERVICE POSITIONS; APPROPRIATION (a) The following new positions are created in the Public Utility	Formatted: Font: 12 pt, Highlight Formatted: Font: 12 pt Formatted: Left Formatted: Left Formatted: Left Formatted: Left
3 4 5	(2), The 2024 report shall update the estimates provided in the 2023 report. Sec. 4. PUBLIC UTILITY COMMISSION AND DEPARTMENT OF PUBLIC SERVICE POSITIONS; APPROPRIATION (a) The following new positions are created in the Public Utility Commission for the purpose of carrying out this act:	Formatted: Font: 12 pt, Highlight Formatted: Font: 12 pt Formatted: Left Formatted: Left Formatted: Left Formatted: Left Formatted: Left Formatted: Left
3 4 5 6	(2), The 2024 report shall update the estimates provided in the 2023 report. Sec. 4. PUBLIC UTILITY COMMISSION AND DEPARTMENT OF PUBLIC SERVICE POSITIONS; APPROPRIATION (a) The following new positions are created in the Public Utility Commission for the purpose of carrying out this act: (1) one permanent exempt Staff Attorney 3;	Formatted: Font: 12 pt, Highlight Formatted: Font: 12 pt Formatted: Left Formatted: Left Formatted: Left Formatted: Left Formatted: Left Formatted: Left
3 4 5 6 7	(2) The 2024 report shall update the estimates provided in the 2023 report. Sec. 4. PUBLIC UTILITY COMMISSION AND DEPARTMENT OF PUBLIC SERVICE POSITIONS; APPROPRIATION (a) The following new positions are created in the Public Utility Commission for the purpose of carrying out this act: (1) one permanent exempt Staff Attorney 3; (2) one permanent exempt analyst; and	Formatted: Font: 12 pt, Highlight Formatted: Font: 12 pt Formatted: Left
3 4 5 6 7 8	(2) The 2024 report shall update the estimates provided in the 2023 report. Sec. 4. PUBLIC UTILITY COMMISSION AND DEPARTMENT OF PUBLIC SERVICE POSITIONS; APPROPRIATION (a) The following new positions are created in the Public Utility Commission for the purpose of carrying out this act: (1) one permanent exempt Staff Attorney 3; (2) one permanent exempt analyst; and (3) one limited-service exempt analyst.	Formatted: Font: 12 pt, Highlight Formatted: Font: 12 pt Formatted: Left

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12	Sec. 3 of this act, and for additional operating costs required to in	nplement the	Formatted: Left, Indent: Hanging: 0.67"
13	Clean Heat Standard, including marketing and public outreach fo	r Sec. 3 of	Formatted: Left, Indent: Hanging: 0.67"
14	this act.	4	Formatted: Left, Indent: Hanging: 0.67"
15	(c) The following new positions are created in the Department	of Public	Formatted: Left
16	Service for the purpose of carrying out this act:	4	Formatted: Left, Indent: Hanging: 0.67"
17	(1) one permanent exempt Staff Attorney; and	•	Formatted: Left
18	(2) two permanent classified program analysts.	•	Formatted: Left

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reasonably available greenhouse gas emission reduction measures are available

21

1	(d) The sum of \$600,000.00 is appropriated to the Department of Public	Formatted: Left	
2	Service from the General Fund in fiscal year 2023 for the positions established	Formatted: Left, Indent: Left: 0.57"	
3	in subsection (c) of this section, to retain consultants that may be required to	Formatted: Left, Indent: Left: 0.57"	
4	support verification and evaluation required by 30 V.S.A. § 8124(a), and for	Formatted: Left, Indent: Left: 0.57"	
5	associated operating costs related to the implementation of the Clean Heat	Formatted: Left, Indent: Left: 0.57"	
6	Standard.	Formatted: Left, Indent: Left: 0.57"	
7	Sec. 5. SECTORAL PROPORTIONALITY REPORT	Formatted: Left, Indent: Left: 0.57"	
8	(a)(1) On or before November 15, 2023, the Agency of Natural Resources	Formatted: Left	
9	and the Department of Public Service, in consultation with the Agencies of	Formatted: Left, Indent: Left: 0.57"	
10	Agriculture, Food and Markets, of Commerce and Community Development,	Formatted: Left, Indent: Left: 0.49", Hanging: 0.67	7"
11	and of Transportation and the Vermont Climate Council, shall report to the	Formatted: Left, Indent: Left: 0.5"	
12	House Committees on Energy and Technology and on Natural Resources, Fish,	Formatted: Left, Indent: Left: 0.49", Hanging: 0.67	7"
13	and Wildlife and to the Senate Committees on Finance and on Natural	Formatted: Left, Indent: Left: 0.49", Hanging: 0.67	7"
14	Resources and Energy regarding:	Formatted: Left, Indent: Left: 0.49", Hanging: 0.67	7"
15	(A) the role of individual economic sectors in achieving the	Formatted: Left	
16	greenhouse gas emission reduction requirements pursuant to 10 V.S.A.	Formatted: Left, Indent: Left: 0.49", Hanging: 0.67	7"
17	§ 578(a);		
18	(B) each economic sector's proportional contribution to greenhouse		
19	gas emissions in Vermont as inventoried pursuant to 10 V.S.A. 582; and	Formatted: Indent: Left: 0.49", Hanging: 0.67"	
20	(C) the extent to which cost-effective, feasible, and co-beneficial		

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commensurate with each sector's proportional contribution and emissions

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-	edimentation with each extent to proportional continuous and continuous	
2	reduction impact.	
3	(2) The report shall consider the analyses performed in support of the	
4	December 1, 2021 Climate Action Plan and the 2022 Comprehensive Energy	
5	Plan. The report shall consider additional analyses, as necessary.	Formatted: Left
6	(b) The report shall make recommendations to the General Assembly to	Formatted: Left
7	amend 10 V.S.A. § 578 to include sector-specific greenhouse emissions	Formatted: Left
8	reduction requirements and, as necessary, subsector-specific greenhouse	Formatted: Left
9	emission reduction requirements for the purposes of informing and	Formatted: Left
10	appropriately scaling the implementation of programs and policies that achieve	Formatted: Left, Indent: Hanging: 0.67"
11	greenhouse gas emission reductions. As used in this section, "sector" means	Formatted: Left
12	those established in the annual Vermont Greenhouse Gas Emissions Inventory	Formatted: Left, Indent: Hanging: 0.67"
13	and Forecast produced by the Agency of Natural Resources pursuant to	Formatted: Left, Indent: Hanging: 0.67"
14	10 V.S.A. § 582. The recommendations shall be made in consideration of the	Formatted: Left, Indent: Hanging: 0.67"
15	factors established in 10 V.S.A. § 592(d).	Formatted: Left, Indent: Hanging: 0.67"
16	(c) The Agency of Natural Resources and the Department of Public	Formatted: Left
17	Service, in consultation with the Vermont Climate Council, shall submit an	Formatted: Left, Indent: Hanging: 0.67"
18	updated report and any corresponding recommendations in accordance with	Formatted: Left, Indent: Hanging: 0.67"
19	this section on July 1 of a year immediately preceding a year in which an	Formatted: Left, Indent: Hanging: 0.67"
20	updated Climate Action Plan is adopted pursuant to 10 V.S.A. § 592(a).	Formatted: Left, Indent: Hanging: 0.67"
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1 Sec. 6. EFFECTIVE DATE

2 This act shall take effect on passage.