

Senate Natural Resources & Energy Committee April 5th, 2022

Testimony on H 715: Clean Heat Standard

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Efficiency Vermont

- Statewide infrastructure
- Network of partners
- Market transformation

Results

- Over \$2.8 billion in energy cost savings
- Over 12.5 million metric tons of CO₂e
- Robust efficiency workforce



Key Points

1

Efficiency Vermont is broadly supportive of Clean Heat Standard: It has the potential to provide both societal and customer benefits.

2

Weatherization and fuel switching create the greatest societal and customer benefits when they are combined.

3

Changes in the award of Weatherization credits are needed to ensure CHS delivers both societal and customer benefits.

Societal Benefits



34%

Percentage of Vermont's GHG emissions from thermal sources

Customer Benefits



35%

Percentage of average Vermonter's energy costs going to heating bill

Weatherization and Fuel Switching

From a societal perspective:

- Fuel switching reduces GHG
- Weatherization reduces GHG

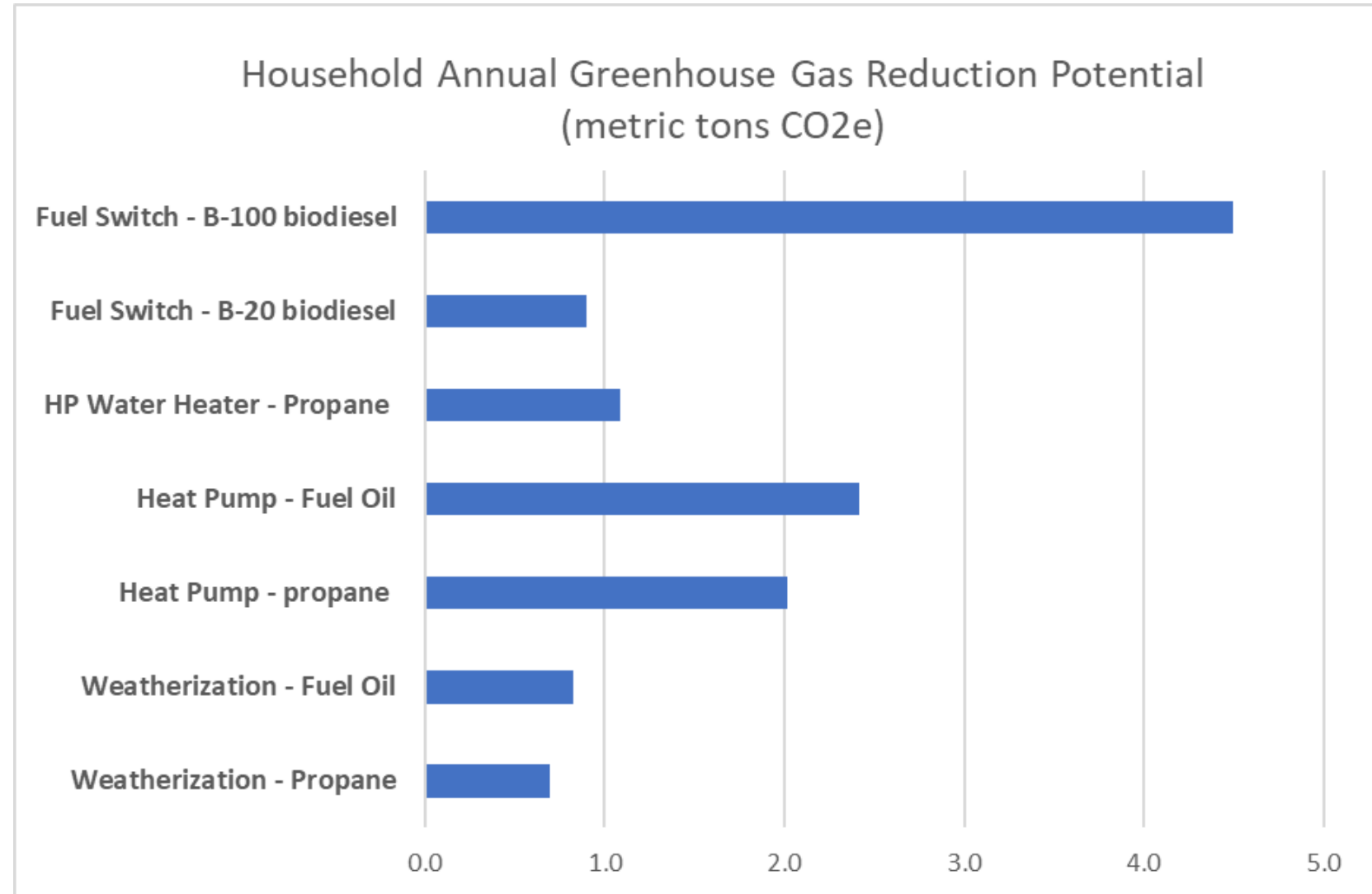
From a customer perspective:

- Fuel switching alone may not reduce customer costs
- Combining weatherization and fuel switching reduces costs and provides the greatest customer benefits

The Vermont Climate Action Plan agrees: Weatherization and fuel switching “need to be closely coordinated to achieve maximum efficiency and to overcome the equity and cost challenges associated with the necessary approaches.”

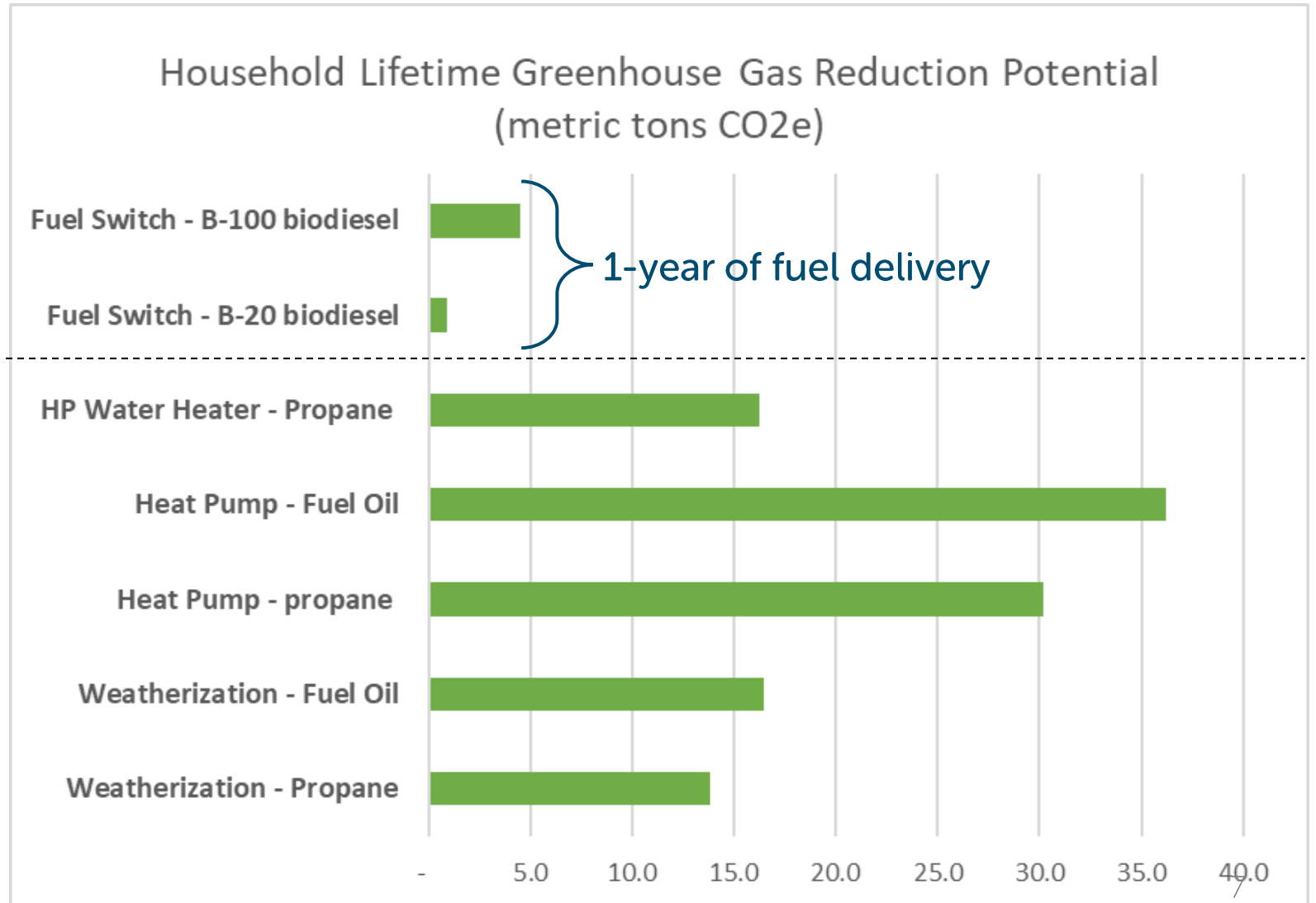
Annual GHG Reductions for CHS Measures

Issuing CHS credits based on annual emissions reductions will strongly favor fuel switching to biofuels



Lifetime GHG Reductions for CHS Measures

Issuing annual CHS credits based on lifetime emission reductions will more accurately reflect lifetime savings from permanent installations



Summary

Efficiency Vermont believes the CHS will be most valuable if it helps drive incremental weatherization projects.

If the Committee would like to ensure CHS delivers both societal and customer benefits AND encourages weatherization in addition to fuel switches:

We recommend changing the bill text to award the full lifetime benefits of weatherization projects up front, based on lifetime emission reductions.

Questions?

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