

Weatherization and On and To-the-Meter Billing

VPPSA is exploring both utility tariffs and on-bill repayment as mechanisms to support customers that pursue weatherization.

- Complements Tier 3 offerings (e.g. weatherization and heat pumps)
- Supports “Tailored Efficiency Efforts” offered in partnership with Efficiency Vermont

Customer Benefits of To-the-Meter Tariffs:

- Revenue neutral or cash flow positive for customers
 - Monthly energy savings equal or exceed repayment amount
- Can provide guaranteed energy savings for customer
- Repayment on the electric bill
 - Convenient mechanism for payment
- Increases accessibility to renters by eliminating “split incentive”
 - Person reaping the benefit from the investment is paying for it

Benefits for Vermont:

- Coupled with incentives, has potential to accelerate weatherization projects
 - High uptake by customers where to-the-meter is offered
- Leverages the value of the utility/customer relationship
- May increase adoption of fossil fuel reduction (Tier 3) projects

Utility Considerations:

- Who holds debt/obligation for repayment?
 - Avoid financial risk to other customers
 - Risk of non-payment
 - Is disconnection for non-payment appropriate?
 - Loan loss reserve to mitigate concern
- Implementation costs should be covered through state funds.
 - Other customers should not bear administration costs
- Utilities should be permitted to *opt-in* to this type of tariff offering.

S. 109 Strengths:

- Funding coupled with attractive financing tools will accelerate weatherization.
 - Incentives are needed to make improvements cost-effective.

- Structure allows for utilities to support weatherization efforts without shifting costs among customers or introducing rate pressure.