1	H.56
2	Introduced by Representatives Cordes of Lincoln, Elder of Starksboro,
3	Andriano of Orwell, Bos-Lun of Westminster, Burrows of West
4	Windsor, Buss of Woodstock, Casey of Montpelier, Cina of
5	Burlington, Cole of Hartford, Goldman of Rockingham, Hyman
6	of South Burlington, Logan of Burlington, McCann of
7	Montpelier, McGill of Bridport, Mulvaney-Stanak of
8	Burlington, Nicoll of Ludlow, Pouech of Hinesburg, Small of
9	Winooski, and Stebbins of Burlington
10	Referred to Committee on
11	Date:
12	Subject: Public service; energy; thermal energy
13	Statement of purpose of bill as introduced: This bill proposes to give the
14	Public Utility Commission (PUC) jurisdiction over the construction and
15	operation of utility model thermal energy networks. It would require the
16	Commission to adopt rules on the permitting process for such operations. It
17	prohibits the PUC from approving permits to expand natural gas service
18	territory. It also directs the Commission to change the energy assistance
19	program options for customers with low incomes and would require the
20	Commission to adopt rules that include a tiered discount system.

BILL AS INTRODUCED 2023

1	An act relating to affordable community energy solutions
2	It is hereby enacted by the General Assembly of the State of Vermont:
3	Sec. 1. SHORT TITLE
4	This act shall be known and may be cited as the "Ratepayer Protection and
5	Thermal Energy Network Act."
6	Sec. 2. 30 V.S.A. § 201 is amended to read:
7	§ 201. DEFINITIONS
8	As used in this chapter:
9	* * *
10	(7) "Thermal energy exchange" means the transfer of noncombustible
11	heat produced from a noncombustion source piped into and out of buildings for
12	the purpose of eliminating any resultant on-site greenhouse gas emissions of all
13	types of heating and cooling processes, including comfort heating and cooling,
14	domestic hot water, refrigeration, and noncombustible flow that has been
15	heated or cooled geothermally.
16	(8) "Thermal energy network" means all real estate, fixtures, and
17	personal property operated, owned, used, or to be used for or in connection
18	with or to facilitate a utility model distribution infrastructure project that
19	supplies thermal energy exchanges.
20	Sec. 3. 30 V.S.A. § 203 is amended to read:
21	§ 203. JURISDICTION OF CERTAIN PUBLIC UTILITIES

BILL AS INTRODUCED 2023

1	The Public Utility Commission and the Department of Public Service shall
2	have jurisdiction over the following described companies within the State, their
3	directors, receivers, trustees, lessees, or other persons or companies owning or
4	operating such companies and of all plants, lines, exchanges, and equipment of
5	such companies used in or about the business carried on by them in this State
6	as covered and included herein. Such jurisdiction shall be exercised by the
7	Commission and the Department so far as may be necessary to enable them to
8	perform the duties and exercise the powers conferred upon them by law. The
9	Commission and the Department may, when they deem the public good
10	requires, examine the plants, equipment, lines, exchanges, stations, and
11	property of the companies subject to their jurisdiction under this chapter.
12	(1) A company engaged in the manufacture, transmission, distribution,
13	storage, or sale of gas or, electricity, or thermal energy networks directly to the
14	public or to be used ultimately by the public for lighting, heating, <u>cooling</u> , or
15	power and so far as relates to their use or occupancy of the public highways.
16	* * *
17	Sec. 4. 30 V.S.A. § 248 is amended to read:
18	§ 248. NEW GAS, THERMAL ENERGY, AND ELECTRIC PURCHASES,
19	INVESTMENTS, AND FACILITIES; CERTIFICATE OF PUBLIC
20	GOOD
21	(a)(1) No company, as defined in section 201 of this title, may:

1	* * *
2	(8) No person or company, as defined in section 201 of this title, may
3	operate as a thermal energy network provider and construct a thermal energy
4	network for the provision of thermal energy service unless the Public Utility
5	Commission first finds that the same will promote the general good of the State
6	and issues a certificate to that effect.
7	(A) The certificate shall establish rates subject to regulation by the
8	Commission.
9	(B) The certificate granted shall include the authority to lay
10	conductors, pipes, conduits, ducts, and other fixtures on privately owned or
11	publicly owned land and in streets, highways, and public places to the same
12	extent and subject to the same limitations as that of an electric utility under this
13	chapter.
14	(C) Any right previously obtained by eminent domain, or by deed, to
15	lay, construct, operate, or maintain buried lines or pipes for transmission of
16	electricity or natural gas may also be used for transmission of thermal energy
17	fluids and may be used without additional approval, amended deed, or
18	additional compensation if the change does not significantly increase the
19	burden or significantly alter the environmental impact of the use.

1	(b) Before the Public Utility Commission issues a certificate of public good
2	as required under subsection (a) of this section, it shall find that the purchase,
3	investment, or construction:
4	(1) With respect to an in-state facility, will not unduly interfere with the
5	orderly development of the region with due consideration having been given to
6	the recommendations of the municipal and regional planning commissions, the
7	recommendations of the municipal legislative bodies, and the land
8	conservation measures contained in the plan of any affected municipality.
9	However:
10	(A) With respect to a natural gas transmission line subject to
11	Commission review, the line shall be in conformance with any applicable
12	provisions concerning such lines contained in the duly adopted regional plan;
13	and, in addition, upon application of any party, the Commission shall condition
14	any certificate of public good for a natural gas transmission line issued under
15	this section so as to prohibit service connections that would not be in
16	conformance with the adopted municipal plan in any municipality in which the
17	line is located. Notwithstanding any other provision of law to the contrary, the
18	Commission shall not approve the purchase, investment, or construction that
19	extends a natural gas transmission line into a new service territory.
20	* * *

1	Sec. 5. 30 V.S.A. § 209c is amended to read:
2	§ 209c. ELECTRICITY AFFORDABILITY PROGRAM
3	(a) The Public Utility Commission shall design a proposed electricity
4	affordability program in the form of draft legislation. The program shall be
5	developed with the aid of an electricity affordability program collaborative.
6	The collaborative, composed of representatives from the electric utilities,
7	residential customers, consumer representatives, low-income program
8	representatives, representatives from programs for elders, the Department of
9	Public Service, the Agency of Human Services, and other stakeholders
10	identified by the Commission, shall aid in the development of an electricity
11	affordability program, as well as requirements for the implementation and
12	funding of the program. The proposed electricity affordability program will be
13	presented to the Vermont General Assembly in the form of draft legislation for
14	consideration in January 2007.
15	(b) The proposed electricity affordability program shall provide assistance
16	in the payment of electricity bills for eligible low-income residential customers
17	served by electric companies subject to the jurisdiction of the Commission.
18	(c) In developing the electricity affordability program, the Commission
19	shall review the successes and administrative burdens of similar programs in
20	operation in other states and consider the following goals, which shall be
21	afforded equal weight in formulating the program:

1	(1) the need to provide payment assistance to low-income customers at
2	and below 150 percent of the federal poverty level;
3	(2) the need for automatic screening and enrollment methods of eligible
4	customers by means of information obtained from existing means-tested
5	financial assistance programs administered by other Vermont agencies such as
6	food stamps, Medicaid, LIHEAP, or TANF; and
7	(3) the need to design a program that is funded by all customer classes in
8	an equitable and reasonable manner and that results in the reimbursement of
9	net incremental costs incurred by electric utilities to implement the program,
10	taking into consideration the benefits as well as the costs. The Public Utility
11	Commission shall adopt rules reforming the electric rates in order to better
12	protect consumers with low income and moderate income. The rules shall
13	require that each utility's tariffs include an energy assistance program for
14	which any household is eligible that earns not more than 60 percent of the
15	State median income and includes a tiered discount program. The tiers shall be
16	designed so that:
17	(1) if the household's income does not exceed 60 percent of the State
18	median income and exceeds 185 percent of the federal poverty level, the
19	monthly electric bills shall constitute not more than 10 percent of a qualifying
20	residential household's monthly income; and

1	(2) if 185 percent or below the federal poverty level, the monthly
2	electric bills shall constitute not more than six percent of the household's
3	income if the household heats with electricity and not more than three percent
4	if the household does not heat with electricity.
5	(b) On or before October 1, 2023, the Public Utility Commission shall
6	initiate a proceeding to adopt rules as described in this section.
7	(c) The rules may include adoption of a statewide or multiple-utility
8	operator or administrator of the energy assistance program. The rules may also
9	include adoption of generally recognized best practices, such as automatic
10	enrollment for those who qualify for the Low Income Heating Assistance
11	Program or 3SquaresVT, online enrollment, and self-certification with
12	enrollment effective on the date of application, and may also adopt inclining
13	block rates or other means that incentivize energy conservation for
14	commercial, institutional, and other consumers and for residential consumers
15	with a household income greater than 60 percent of the State median income
16	and arrearage forgiveness.
17	Sec. 6. 30 V.S.A. § 218 is amended to read:
18	§ 218. JURISDICTION OVER CHARGES AND RATES
19	* * *
20	(e) Notwithstanding any other provisions of this section, the Commission,
21	on its own motion or upon petition of any person, may issue an order

1	approving a rate schedule, tariff, agreement, contract, or settlement that
2	provides reduced rates for low-income electric utility consumers better to
3	ensure affordability. As used in this subsection, "low-income electric utility
4	consumer" means a customer who has a household income at or below 185
5	percent of the current federal poverty level. When considering whether to
6	approve a rate schedule, tariff, agreement, contract, or settlement for low-
7	income electric utility consumers, the Commission shall take into account the
8	potential impact on, and cost shifting to, other utility customers.
9	* * *
10	Sec. 7. 30 V.S.A. § 256 is added to read:
11	<u>§ 256. THERMAL ENERGY NETWORK DEVELOPMENT</u>
12	(a) On or before October 1, 2023, the Public Utility Commission shall
13	initiate a proceeding to support the development of thermal energy networks
14	and the permitting of thermal energy network providers.
15	(b) The Commission shall adopt the rules pursuant to 3 V.S.A. chapter 25
16	governing all aspects of the permitting, construction, operation, and rates as
17	reasonably necessary. The Commission's rules shall facilitate and prioritize
18	establishment of thermal energy networks to serve customers with low income
19	and moderate income, which may include reduced rates if necessary.
20	(c) The rules shall ensure that:
21	(1) permitting is simple, economic, and expeditious;

1	(2) permitting, construction, and operation are not limited, legally or by
2	regulatory burden, to existing utilities;
3	(3) the Commission shall issue a certificate of public good for a thermal
4	network utility that will serve less than 50 ratepayers on the 31st day following
5	receipt of the application for a certificate of public good unless the
6	Commission finds that an objection or a request for conditions has been filed,
7	or that additional information is needed, or that the certificate would violate
8	section 248 of this title; and
9	(4) facts and data submitted to the Commission by permit applicants and
10	permittees are available to the public and to other utilities or potential utilities
11	unless a compelling need for confidentiality is demonstrated.
12	(d) The Commission shall issue an order for an interim process, which may
13	include authorizing pilot projects, and then shall adopt final rules not later than
14	July 1, 2024.
15	Sec. 8. EFFECTIVE DATE
16	This act shall take effect on July 1, 2023.