Introduced by Representatives Cordes of Lincoln, Elder of Starksboro,
Andriano of Orwell, Bos-Lun of Westminster, Burrows of West
Windsor, Buss of Woodstock, Casey of Montpelier, Cina of
Burlington, Cole of Hartford, Goldman of Rockingham, Hyman
of South Burlington, Logan of Burlington, McCann of
Montpelier, McGill of Bridport, Mulvaney-Stanak of
Burlington, Nicoll of Ludlow, Pouech of Hinesburg, Small of
Winooski, and Stebbins of Burlington

Referred to Committee on

Subject: Public service; energy; thermal energy

Statement of purpose of bill as introduced: This bill proposes to give the
Public Utility Commission (PUC) jurisdiction over the construction and
operation of utility model thermal energy networks. It would require the
Commission to adopt rules on the permitting process for such operations. It
prohibits the PUC from approving permits to expand natural gas service
territory. It also directs the Commission to change the energy assistance
program options for customers with low incomes and would require the
Commission to adopt rules that include a tiered discount system.
An act relating to affordable community energy solutions

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

Sec. 1. SHORT TITLE

This act shall be known and may be cited as the “Ratepayer Protection and Thermal Energy Network Act.”

Sec. 2. 30 V.S.A. § 201 is amended to read:

§ 201. DEFINITIONS

As used in this chapter:

* * *

(7) “Thermal energy exchange” means the transfer of noncombustible heat produced from a noncombustion source piped into and out of buildings for the purpose of eliminating any resultant on-site greenhouse gas emissions of all types of heating and cooling processes, including comfort heating and cooling, domestic hot water, refrigeration, and noncombustible flow that has been heated or cooled geothermally.

(8) “Thermal energy network” means all real estate, fixtures, and personal property operated, owned, used, or to be used for or in connection with or to facilitate a utility model distribution infrastructure project that supplies thermal energy exchanges.

Sec. 3. 30 V.S.A. § 203 is amended to read:

§ 203. JURISDICTION OF CERTAIN PUBLIC UTILITIES
The Public Utility Commission and the Department of Public Service shall have jurisdiction over the following described companies within the State, their directors, receivers, trustees, lessees, or other persons or companies owning or operating such companies and of all plants, lines, exchanges, and equipment of such companies used in or about the business carried on by them in this State as covered and included herein. Such jurisdiction shall be exercised by the Commission and the Department so far as may be necessary to enable them to perform the duties and exercise the powers conferred upon them by law. The Commission and the Department may, when they deem the public good requires, examine the plants, equipment, lines, exchanges, stations, and property of the companies subject to their jurisdiction under this chapter.

(1) A company engaged in the manufacture, transmission, distribution, storage, or sale of gas or electricity, or thermal energy networks directly to the public or to be used ultimately by the public for lighting, heating, cooling, or power and so far as relates to their use or occupancy of the public highways.

* * *

Sec. 4. 30 V.S.A. § 248 is amended to read:

§ 248. NEW GAS, THERMAL ENERGY, AND ELECTRIC PURCHASES, INVESTMENTS, AND FACILITIES; CERTIFICATE OF PUBLIC GOOD

(a)(1) No company, as defined in section 201 of this title, may:
(8) No person or company, as defined in section 201 of this title, may operate as a thermal energy network provider and construct a thermal energy network for the provision of thermal energy service unless the Public Utility Commission first finds that the same will promote the general good of the State and issues a certificate to that effect.

(A) The certificate shall establish rates subject to regulation by the Commission.

(B) The certificate granted shall include the authority to lay conductors, pipes, conduits, ducts, and other fixtures on privately owned or publicly owned land and in streets, highways, and public places to the same extent and subject to the same limitations as that of an electric utility under this chapter.

(C) Any right previously obtained by eminent domain, or by deed, to lay, construct, operate, or maintain buried lines or pipes for transmission of electricity or natural gas may also be used for transmission of thermal energy fluids and may be used without additional approval, amended deed, or additional compensation if the change does not significantly increase the burden or significantly alter the environmental impact of the use.
(b) Before the Public Utility Commission issues a certificate of public good as required under subsection (a) of this section, it shall find that the purchase, investment, or construction:

(1) With respect to an in-state facility, will not unduly interfere with the orderly development of the region with due consideration having been given to the recommendations of the municipal and regional planning commissions, the recommendations of the municipal legislative bodies, and the land conservation measures contained in the plan of any affected municipality.

However:

(A) With respect to a natural gas transmission line subject to Commission review, the line shall be in conformance with any applicable provisions concerning such lines contained in the duly adopted regional plan; and, in addition, upon application of any party, the Commission shall condition any certificate of public good for a natural gas transmission line issued under this section so as to prohibit service connections that would not be in conformance with the adopted municipal plan in any municipality in which the line is located. Notwithstanding any other provision of law to the contrary, the Commission shall not approve the purchase, investment, or construction that extends a natural gas transmission line into a new service territory.

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Sec. 5. 30 V.S.A. § 209c is amended to read:

§ 209c. ELECTRICITY AFFORDABILITY PROGRAM

(a) The Public Utility Commission shall design a proposed electricity affordability program in the form of draft legislation. The program shall be developed with the aid of an electricity affordability program collaborative. The collaborative, composed of representatives from the electric utilities, residential customers, consumer representatives, low-income program representatives, representatives from programs for elders, the Department of Public Service, the Agency of Human Services, and other stakeholders identified by the Commission, shall aid in the development of an electricity affordability program, as well as requirements for the implementation and funding of the program. The proposed electricity affordability program will be presented to the Vermont General Assembly in the form of draft legislation for consideration in January 2007.

(b) The proposed electricity affordability program shall provide assistance in the payment of electricity bills for eligible low-income residential customers served by electric companies subject to the jurisdiction of the Commission.

(c) In developing the electricity affordability program, the Commission shall review the successes and administrative burdens of similar programs in operation in other states and consider the following goals, which shall be afforded equal weight in formulating the program:
(1) the need to provide payment assistance to low-income customers at
and below 150 percent of the federal poverty level;
(2) the need for automatic screening and enrollment methods of eligible
customers by means of information obtained from existing means-tested
financial assistance programs administered by other Vermont agencies such as
food stamps, Medicaid, LIHEAP, or TANF; and
(3) the need to design a program that is funded by all customer classes in
an equitable and reasonable manner and that results in the reimbursement of
net incremental costs incurred by electric utilities to implement the program,
taking into consideration the benefits as well as the costs. The Public Utility
Commission shall adopt rules reforming the electric rates in order to better
protect consumers with low income and moderate income. The rules shall
require that each utility’s tariffs include an energy assistance program for
which any household is eligible that earns not more than 60 percent of the
State median income and includes a tiered discount program. The tiers shall be
designed so that:
(1) if the household’s income does not exceed 60 percent of the State
median income and exceeds 185 percent of the federal poverty level, the
monthly electric bills shall constitute not more than 10 percent of a qualifying
residential household’s monthly income; and
(2) if 185 percent or below the federal poverty level, the monthly electric bills shall constitute not more than six percent of the household’s income if the household heats with electricity and not more than three percent if the household does not heat with electricity.

(b) On or before October 1, 2023, the Public Utility Commission shall initiate a proceeding to adopt rules as described in this section.

(c) The rules may include adoption of a statewide or multiple-utility operator or administrator of the energy assistance program. The rules may also include adoption of generally recognized best practices, such as automatic enrollment for those who qualify for the Low Income Heating Assistance Program or 3SquaresVT, online enrollment, and self-certification with enrollment effective on the date of application, and may also adopt inclining block rates or other means that incentivize energy conservation for commercial, institutional, and other consumers and for residential consumers with a household income greater than 60 percent of the State median income and arrearage forgiveness.

Sec. 6. 30 V.S.A. § 218 is amended to read:

§ 218. JURISDICTION OVER CHARGES AND RATES

* * *

(e) Notwithstanding any other provisions of this section, the Commission, on its own motion or upon petition of any person, may issue an order
approving a rate schedule, tariff, agreement, contract, or settlement that
provides reduced rates for low-income electric utility consumers better to
ensure affordability. As used in this subsection, “low-income electric utility
consumer” means a customer who has a household income at or below 185
percent of the current federal poverty level. When considering whether to
approve a rate schedule, tariff, agreement, contract, or settlement for low-
income electric utility consumers, the Commission shall take into account the
potential impact on, and cost-shifting to, other utility customers.

* * *

Sec. 7. 30 V.S.A. § 256 is added to read:

§ 256. THERMAL ENERGY NETWORK DEVELOPMENT

(a) On or before October 1, 2023, the Public Utility Commission shall
initiate a proceeding to support the development of thermal energy networks
and the permitting of thermal energy network providers.

(b) The Commission shall adopt the rules pursuant to 3 V.S.A. chapter 25
governing all aspects of the permitting, construction, operation, and rates as
reasonably necessary. The Commission’s rules shall facilitate and prioritize
establishment of thermal energy networks to serve customers with low income
and moderate income, which may include reduced rates if necessary.

(c) The rules shall ensure that:

(1) permitting is simple, economic, and expeditious;
(2) permitting, construction, and operation are not limited, legally or by regulatory burden, to existing utilities;

(3) the Commission shall issue a certificate of public good for a thermal network utility that will serve less than 50 ratepayers on the 31st day following receipt of the application for a certificate of public good unless the Commission finds that an objection or a request for conditions has been filed, or that additional information is needed, or that the certificate would violate section 248 of this title; and

(4) facts and data submitted to the Commission by permit applicants and permittees are available to the public and to other utilities or potential utilities unless a compelling need for confidentiality is demonstrated.

(d) The Commission shall issue an order for an interim process, which may include authorizing pilot projects, and then shall adopt final rules not later than July 1, 2024.

Sec. 8. EFFECTIVE DATE

This act shall take effect on July 1, 2023.