1	H.242
2	Introduced by Representatives Cordes of Lincoln, Andriano of Orwell,
3	Anthony of Barre City, Bos-Lun of Westminster, Burrows of
4	West Windsor, Buss of Woodstock, Campbell of St. Johnsbury,
5	Casey of Montpelier, Chase of Colchester, Chesnut-Tangerman
6	of Middletown Springs, Cole of Hartford, Dodge of Essex,
7	Elder of Starksboro, Goldman of Rockingham, Headrick of
8	Burlington, Hyman of South Burlington, Logan of Burlington,
9	McGill of Bridport, Mrowicki of Putney, Mulvaney-Stanak of
10	Burlington, Patt of Worcester, Pouech of Hinesburg, Sims of
11	Craftsbury, Small of Winooski, Stebbins of Burlington,
12	Templeman of Brownington, Toleno of Brattleboro, Torre of
13	Moretown, and Troiano of Stannard
14	Referred to Committee on
15	Date:
16	Subject: Public service; energy; thermal energy
17	Statement of purpose of bill as introduced: This bill proposes to give the
18	Public Utility Commission (PUC) jurisdiction over the construction and
19	operation of utility model thermal energy networks.

20 An act relating to thermal energy networks

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

- Sec. 5. 30 V.S.A. § 256 is added to read:
  <u>§ 256. THERMAL ENERGY NETWORK DEVELOPMENT</u>
- 3 (a) On or before October 1, 2023, the Public Utility Commission shall
- 4 <u>initiate a proceeding to support the development of thermal energy networks</u>
- 5 <u>and the permitting of thermal energy network providers.</u>
- 6 (b) The Commission shall adopt the rules pursuant to 3 V.S.A. chapter 25
- 7 governing all aspects of the permitting, construction, operation, and rates as
- 8 reasonably necessary. The Commission's rules shall facilitate and prioritize
- 9 <u>establishment of thermal energy networks to serve customers with low income</u>
- 10 and moderate income, which may include reduced rates if necessary.
- 11 (c) The rules shall ensure that:
- 12 (1) permitting is simple, economic, and expeditious;
- 13 (2) permitting, construction, and operation are not limited, legally or by
- 14 <u>regulatory burden, to existing utilities;</u>
- 15 (3) the Commission shall issue a certificate of public good for a thermal
- 16 <u>network utility that will serve fewer than 50 ratepayers on the 31st day</u>
- 17 <u>following receipt of the application for a certificate of public good unless the</u>
- 18 <u>Commission finds that an objection or a request for conditions has been filed,</u>
- 19 or that additional information is needed, or that the certificate would violate
- 20 <u>section 248 of this title; and</u>

- 1 (4) facts and data submitted to the Commission by permit applicants and
- 2 permittees are available to the public and to other utilities or potential utilities
- 3 <u>unless a compelling need for confidentiality is demonstrated.</u>
- 4 (d) The Commission shall issue an order for an interim process, which may
- 5 <u>include authorizing pilot projects, and then shall adopt final rules not later than</u>
- 6 <u>July 1, 2024.</u>
- 7 Sec. 6. EFFECTIVE DATE
- 8 This act shall take effect on July 1, 2023.