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H.669

Introduced by Representatives Stebbins of Burlington, Cordes of Lincoln,
Torre of Moretown, Anthony of Barre City, Campbell of St.
Johnsbury, Cole of Hartford, Headrick of Burlington, Hyman of
South Burlington, Logan of Burlington, McGill of Bridport,
Mrowicki of Putney, Pouech of Hinesburg, Sims of Craftsbury,
Templeman of Brownington, and Troiano of Stannard

Referred to Committee on

Date:

Subject: Public service; energy; thermal energy

Statement of purpose of bill as introduced: This bill proposes to give the
Public Utility Commission 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.

An act relating to thermal energy networks

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 “Thermal Energy Network
Act.”

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

2 § 201. DEFINITIONS

3 As used in this chapter:

4 * * *

5 (7) “Thermal energy exchange” means the transfer of noncombustible
6 thermal energy produced from a non-fossil fuel noncombustion source piped
7 into, out of, and between buildings for the purpose of eliminating any resultant
8 on-site greenhouse gas emissions from all types of heating and cooling
9 processes, including comfort heating and cooling, domestic hot water,
10 refrigeration, and process heat

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

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

16 § 203. JURISDICTION OF CERTAIN PUBLIC UTILITIES

17 The Public Utility Commission and the Department of Public Service shall
18 have jurisdiction over the following described companies within the State, their
19 directors, receivers, trustees, lessees, or other persons or companies owning or
20 operating such companies and of all plants, lines, exchanges, and equipment of
21 such companies used in or about the business carried on by them in this State

1 as covered and included herein. Such jurisdiction shall be exercised by the
2 Commission and the Department so far as may be necessary to enable them to
3 perform the duties and exercise the powers conferred upon them by law. The
4 Commission and the Department may, when they deem the public good
5 requires, examine the plants, equipment, lines, exchanges, stations, and
6 property of the companies subject to their jurisdiction under this chapter.

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

11 * * *

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

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

16 (a)(1) No company, as defined in section 201 of this title, may:

17 * * *

18 (8) No person or company, as defined in section 201 of this title, may
19 operate as a thermal energy network provider and construct a thermal energy
20 network for the provision of thermal energy service to more than 20 members

1 of the public unless the Public Utility Commission first finds that the same will
2 promote the general good of the State and issues a certificate to that effect.

3 (A) Subsequent to issuance of a certificate, the Commission shall
4 approve all rates for a thermal energy network provider, except that a
5 municipality does not need to obtain approval of its rates.

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

11 (C) Any right previously obtained by eminent domain, or by deed, to
12 lay, construct, operate, or maintain buried lines or pipes for transmission of
13 electricity or natural gas may also be used for transmission of thermal energy
14 fluids and may be used without additional approval, amended deed, or
15 additional compensation if the change does not significantly increase the
16 burden or significantly alter the environmental impact of the use.

17 (D) A municipality shall have the authority to construct, operate, set
18 rates for, finance, and use eminent domain for a thermal energy network utility
19 without a certificate of public good or approval by the Commission, in the
20 same manner and to the same extent as its charter or the general laws authorize

1 the municipality to construct, operate, set rates for, finance, and use eminent
2 domain in order to supply water or sewer service.

3 * * *

4 Sec. 5. 30 V.S.A. § 256 is added to read:

5 § 256. THERMAL ENERGY NETWORK DEVELOPMENT

6 (a) On or before October 1, 2024, the Public Utility Commission shall
7 initiate a proceeding to support the development of thermal energy networks
8 and the permitting of thermal energy network providers.

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

14 (c) The rules shall ensure that:

15 (1) permitting is simple, economic, and expeditious;

16 (2) permitting, construction, and operation are not limited, legally or by
17 regulatory burden, to existing utilities; and

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

1 (d) The Commission shall issue an order for an interim process, which may
2 include authorizing pilot projects, and then shall adopt final rules not later than
3 July 1, 2025.

4 Sec. 6. EFFECTIVE DATE

5 This act shall take effect on July 1, 2024.