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S.252

Introduced by Senators Bray, Hardy, McCormack, Watson and White

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.”

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

1 the purpose of eliminating any resultant on-site greenhouse gas emissions of all
2 types of heating and cooling processes, including comfort heating and cooling,
3 domestic hot water, refrigeration, and noncombustible flow that has been
4 heated or cooled geothermally.

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

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

10 § 203. JURISDICTION OF CERTAIN PUBLIC UTILITIES

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

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

5 * * *

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

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

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

11 * * *

12 (8) No person or company, as defined in section 201 of this title, may
13 operate as a thermal energy network provider and construct a thermal energy
14 network for the provision of thermal energy service to more than 20 members
15 of the public unless the Public Utility Commission first finds that the same will
16 promote the general good of the State and issues a certificate to that effect.

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

20 (B) The certificate granted shall include the authority to lay
21 conductors, pipes, conduits, ducts, and other fixtures on privately owned or

1 publicly owned land and in streets, highways, and public places to the same
2 extent and subject to the same limitations as that of an electric utility under this
3 chapter.

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

10 (D) A municipality shall have the authority to construct, operate, set
11 rates for, finance, and use eminent domain for a thermal energy network utility
12 without a certificate of public good or approval by the Commission, in the
13 same manner and to the same extent as its charter or the supply water or sewer
14 service laws authorize the municipality to construct, operate, set rates for,
15 finance, and use eminent domain.

16 * * *

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

18 § 256. THERMAL ENERGY NETWORK DEVELOPMENT

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

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

6 (c) The rules shall ensure that:

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

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

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

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

16 Sec. 6. EFFECTIVE DATE

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