

1 TO THE HOUSE OF REPRESENTATIVES:

2 The Committee on Environment and Energy to which was referred Senate
3 Bill No. 305 entitled “An act relating to miscellaneous changes to the Public
4 Utility Commission” respectfully reports that it has considered the same and
5 recommends that the House propose to the Senate that the bill be amended the
6 bill be amended by striking out all after the enacting clause and inserting in
7 lieu thereof the following:

8 * * * Notice * * *

9 Sec. 1. 3 V.S.A. § 165(b) is amended to read:

10 (b) Public contract advocates shall be appointed or retained for such time as
11 may be required to monitor, represent the public interest, and report on any
12 contract for basic telecommunications service under 30 V.S.A. § 226a.
13 Compensation, expenses, and support of public contract advocates shall be
14 assessed as costs to the Department of Public Service and paid from the
15 revenues received from the tax to finance the Department and the ~~Board~~ Public
16 Utility Commission levied under 30 V.S.A. § 22.

17 Sec. 2. 30 V.S.A. § 8(d) is amended to read:

18 (d) ~~At least 12 days prior to~~ Written notice of a hearing before ~~the~~
19 ~~Commission~~ a Commissioner or a hearing officer, ~~the Commission shall give~~
20 ~~written notice of the time and place of the hearing to all parties to the case and~~

1 ~~shall indicate the name and title of the person designated to conduct the~~
2 ~~hearing shall be given in accordance with 30 V.S.A. § 10.~~

3 Sec. 3. 30 V.S.A. § 10(c) is amended to read:

4 (c) ~~A scheduling or procedural conference~~ As used in this section, the term
5 “hearings” refers to public hearings and evidentiary hearings. All other
6 proceedings before the Commission may be held upon any reasonable notice.

7 Sec. 4. 30 V.S.A. § 102(a) is amended to read:

8 (a) Before the articles of incorporation are transmitted to the Secretary of
9 State, the incorporators shall petition the Public Utility Commission to
10 determine whether the establishment and maintenance of the corporation will
11 promote the general good of the State and shall at that time file a copy of any
12 petition with the Department. The Department, within 12 days, shall review
13 the petition and file a recommendation regarding the petition in the same
14 manner as is set forth in subsection 225(b) of this title. The recommendation
15 shall set forth reasons why the petition shall be accepted without hearing or
16 shall request that a hearing on the petition be scheduled. If the Department
17 requests a hearing on the petition, or, if the Commission deems a hearing
18 necessary, it shall appoint a time and place either remotely accessible or in the
19 county where the proposed corporation is to have its principal office for
20 hearing the petition. ~~At least 12 days before this hearing, notice~~ Notice of the
21 hearing shall be given in accordance with section 10 of this title and shall be

1 published on the Commission’s website and once in a newspaper of general
2 circulation in the county in which the proposed corporation is to have its
3 principal office. The website notice shall be maintained through the date of the
4 hearing. The newspaper notice shall include an ~~Internet~~ internet address where
5 more information regarding the petition may be viewed. The Department of
6 Public Service, through the Director for Public Advocacy, shall represent the
7 public at the hearing.

8 Sec. 5. 30 V.S.A. § 231(a) is amended to read:

9 (a) A person, partnership, unincorporated association, or previously
10 incorporated association that desires to own or operate a business over which
11 the Public Utility Commission has jurisdiction under the provisions of this
12 chapter shall first petition the Commission to determine whether the operation
13 of such business will promote the general good of the State, and shall at that
14 time file a copy of any such petition with the Department. The Department,
15 within 12 days, shall review the petition and file a recommendation regarding
16 the petition in the same manner as is set forth in subsection 225(b) of this title.
17 Such recommendation shall set forth reasons why the petition shall be accepted
18 without hearing or shall request that a hearing on the petition be scheduled. If
19 the Department requests a hearing on the petition, or, if the Commission deems
20 a hearing necessary, it shall appoint a time and place in the county where the
21 proposed corporation is to have its principal office for hearing the petition. ~~At~~

1 ~~least 12 days before this hearing, notice~~ Notice of the hearing shall be given in
2 accordance with section 10 of this title and shall be published on the
3 Commission’s website and once in a newspaper of general circulation in the
4 county in which the hearing will occur. The website notice shall be maintained
5 through the date of the hearing. The newspaper notice shall include an ~~Internet~~
6 internet address where more information regarding the petition may be viewed.
7 The Director for Public Advocacy shall represent the public at the hearing. If
8 the Commission finds that the operation of such business will promote the
9 general good of the State, it shall give such person, partnership, unincorporated
10 association, or previously incorporated association a certificate of public good
11 specifying the business and territory to be served by such petitioners. For good
12 cause, after opportunity for hearing, the Commission may amend or revoke any
13 certificate awarded under the provisions of this section. If any such certificate
14 is revoked, the person, partnership, unincorporated association, or previously
15 incorporated association shall no longer have authority to conduct any business
16 ~~which~~ that is subject to the jurisdiction of the Commission whether or not
17 regulation thereunder has been reduced or suspended, under section 226a or
18 227a of this title.

19 Sec. 6. 30 V.S.A. § 248(u) is amended to read:

20 (u) ~~For an energy storage facility, a~~ A certificate under this section shall
21 only be required for ~~a stationary facility exporting to the grid~~ an energy storage

1 facility that has a capacity of 100 kW or greater, unless the Commission
2 establishes a larger threshold by rule. The Commission shall establish a
3 simplified application process for energy storage facilities subject to this
4 section with a capacity of up to 1 MW, unless it establishes a larger threshold
5 by rule. For facilities eligible for this simplified application process, a
6 certificate of public good will be issued by the Commission by the ~~forty-sixth~~
7 46th day following filing of a complete application, unless a substantive
8 objection is timely filed with the Commission or the Commission itself raises
9 an issue. The Commission may require facilities eligible for the simplified
10 application process to include a letter from the interconnecting utility
11 indicating the absence or resolution of interconnection issues as part of the
12 application.

13 * * * Energy Efficiency Modernization Act * * *

14 Sec. 7. 2020 Acts and Resolves No. 151, Sec. 1, as amended by 2023 Acts and
15 Resolves No. 44, Sec. 1, is further amended to read:

16 Sec. 1. ALLOWANCE OF THE USE OF ENERGY EFFICIENCY

17 CHARGE FUNDS FOR GREENHOUSE GAS EMISSIONS

18 REDUCTION PROGRAMS

19 (a) The electric resource acquisition budget for an entity appointed to
20 provide electric energy efficiency and conservation programs and measures
21 pursuant to 30 V.S.A. § 209(d)(2)(A) for the calendar years 2021–2026 shall

1 be determined pursuant to 30 V.S.A. § 209(d)(3)(B). This section shall apply
2 only if the entity’s total electric resource acquisition budget for 2024–2026
3 does not exceed the entity’s total electric resource acquisition budget for 2021–
4 2023, adjusted for cumulative inflation between January 1, 2021, and July 1,
5 2023, using the national consumer price index. An entity may include
6 proposals for activities allowed under this pilot in its 2027–2029 demand
7 resource plan filing, but these activities shall only be implemented if this
8 section is extended to cover that ~~timeframe~~ time frame.

9 (b) Notwithstanding any provision of law or order of the Public Utility
10 Commission (PUC) to the contrary, ~~the PUC shall authorize~~ an entity pursuant
11 ~~to subsection (a) of this section to~~ appointed under 30 V.S.A. § 209(d)(2)(A)
12 may spend a portion of its electric resource acquisition budget, in an amount ~~to~~
13 ~~be determined by the PUC but~~ not to exceed \$2,000,000.00 per year, on
14 programs, measures, and services that reduce greenhouse gas emissions in the
15 thermal energy or transportation sectors. An entity appointed under 30 V.S.A.
16 § 209(d)(2)(A) that has a three-year electric resource acquisition budget of less
17 than \$8,000,000.00 may spend up to \$800,000.00 of its resource acquisition
18 budget, and any additional amounts the entity has available to it through
19 annually-budgeted thermal energy and process fuel funds and carry-forward
20 thermal energy and process fuel funds from prior periods, on programs,
21 measures, and services that reduce greenhouse gas emissions in the thermal

1 energy or transportation sector. ~~Programs measures, and services authorized~~
2 ~~pursuant to subsection (a) of this section shall~~ An entity spending a portion of
3 its electric resource acquisition budget as outlined in this section shall submit
4 notice of the amount of the annual electric resource acquisition budget to be
5 spent pursuant to this subsection to the PUC, the Department of Public Service,
6 the electric distribution utilities, and the Vermont Public Power Supply
7 Authority with a sworn statement attesting that the programs, measures, or
8 services comply with the following criteria:

9 (1) Reduce greenhouse gas emissions in the thermal energy or
10 transportation sectors, or both.

11 (2) Have a nexus with electricity usage.

12 (3) Be additive and complementary to and shall not replace or be in
13 competition with electric utility energy transformation projects pursuant to
14 30 V.S.A. § 8005(a)(3) and existing thermal efficiency programs operated by
15 an entity appointed under 30 V.S.A. § 209(d)(2)(A) such that they result in the
16 largest possible greenhouse gas emissions reductions in a cost-effective
17 manner.

18 (4) Be proposed after the entity consults with any relevant State agency
19 or department and shall not be duplicative or in competition with programs
20 delivered by that agency or department.

1 (5) Be delivered on a statewide basis. However, this shall not preclude
2 the delivery of services specific to a retail electricity provider. Should such
3 services be offered, all distribution utilities and Vermont Public Power Supply
4 Authority shall be provided the opportunity to participate, and those services
5 shall be designed and coordinated in partnership with each of them. For
6 programs and services that are not offered on a statewide basis, the proportion
7 of utility-specific program funds used for services to any distribution utility
8 shall be ~~no~~ not less than the proportionate share of the energy efficiency
9 charge, which in the case of Vermont Public Power Supply Authority, is the
10 amount collected across their combined member utility territories during the
11 period this section remains in effect.

12 (c) An entity that ~~is approved to provide~~ provides a program, measure, or
13 service pursuant to this section shall provide the program, measure, or service
14 in cooperation with a retail electricity provider.

15 (↔) The entity shall not claim any savings and reductions in fossil fuel
16 consumption and in greenhouse gas emissions by the customers of the retail
17 electricity provider resulting from the program, measure, or service if the
18 provider elects to offer the program, measure, or service pursuant to 30 V.S.A.
19 § 8005(a)(3) unless the entity and provider agree upon how savings and
20 reductions should be accounted for, apportioned, and claimed.

1 ~~(2) The PUC shall develop standards and methods to appropriately~~
2 ~~measure the effectiveness of the programs, measures, and services in relation~~
3 ~~to the entity's Demand Resources Plan proceeding.~~

4 (d) Any funds spent on programs, measures, and services pursuant to this
5 section shall not be counted towards the calculation of funds used by a retail
6 electricity provider for energy transformation projects pursuant to 30 V.S.A.
7 § 8005(a)(3) and the calculation of project costs pursuant to 30 V.S.A.
8 § 8005(a)(3)(C)(iv).

9 ~~(e) On or before April 30, 2021 and every April 30 for six years thereafter,~~
10 ~~the PUC shall submit a written report to the House Committee on Environment~~
11 ~~and Energy and the Senate Committees on Natural Resources and Energy and~~
12 ~~on Finance concerning any programs, measures, and services approved~~
13 ~~pursuant to this section.~~

14 (f) Thermal energy and process fuel efficiency funding. Notwithstanding
15 30 V.S.A. § 209(e), a retail electricity provider that is also an entity appointed
16 under 30 V.S.A. § 209(d)(2)(A), may during the years of 2024–2026, use
17 monies subject to 30 V.S.A. § 209(e) to deliver thermal and transportation
18 measures or programs that reduce fossil fuel use regardless of the preexisting
19 fuel source of the customer, including measures or programs permissible under
20 this pilot program, with special emphasis on measures or programs that take a
21 new or innovative approach to reducing fossil fuel use, including modifying or

1 supplementing existing vehicle incentive programs and electric vehicle supply
2 equipment grant programs to incentivize high-consumption fuel users,
3 especially individuals using more than 1000 gallons of gasoline or diesel
4 annually and those with low and moderate income, to transition to the use of
5 battery electric vehicles.

6 * * * Clean Heat Standard * * *

7 Sec. 8. 30 V.S.A. § 8124 is amended to read:

8 § 8124. CLEAN HEAT STANDARD COMPLIANCE

9 * * *

10 (b) Annual registration.

11 (1) Each entity that sells heating fuel into or in Vermont shall register
12 annually with the Commission by an annual deadline established by the
13 Commission. The first registration deadline is January 31, 2024, and the
14 annual deadline shall ~~remain January 31 of each year unless a different~~
15 ~~deadline is established by the Commission~~ be June 30 of each year after. The
16 form and information required in the registration shall be determined by the
17 Commission and shall include all data necessary to establish annual
18 requirements under this chapter. The Commission shall use the information
19 provided in the registration to determine whether the entity shall be considered
20 an obligated party and the amount of its annual requirement.

21 * * *

1 * * *

2 (d) Use of default delivery agent.

3 * * *

4 (3) The Commission shall by rule or order establish a standard timeline
5 under which the default delivery agent credit cost or costs are established and
6 by which an obligated party must file its form. The default delivery agent’s
7 schedule of costs shall include sufficient costs to deliver installed measures and
8 shall specify separately the costs to deliver measures to customers with low
9 income and customers with moderate income as required by subsection
10 8124(d) of this title. The Commission shall provide not less than ~~120~~ 90 days’
11 notice of default delivery agent credit cost or costs prior to the deadline for an
12 obligated party to file its election form so an obligated party can assess options
13 and inform the Commission of its intent to procure credits in whole or in part
14 as fulfillment of its requirement.

15 * * *

16 (e) Budget.

17 * * *

18 (B) the development of a three-year plan and associated proposed
19 budget by the default delivery agent to be informed by the final results of the
20 Department’s potential study. The default delivery agent may propose a
21 portion of its budget towards promotion and market uplift, workforce

1 development, and trainings for clean heat measures. The Commission shall
2 approve the first three-year plan and associated budget by no later than
3 September 1, 2025; and

4 * * *

5 Sec. 10. 30 V.S.A. § 8126 is amended to read:

6 § 8126. RULEMAKING

7 (a) The Commission shall adopt rules and may issue orders to implement
8 and enforce the Clean Heat Standard program.

9 * * *

10 (c) The Commission’s rules may include a provision that allows the
11 Commission to revise its Clean Heat Standard rules by order of the
12 Commission without the revisions being subject to the rulemaking
13 requirements of ~~the~~ 3 V.S.A. chapter 25, provided the Commission:

- 14 (1) provides notice of any proposed changes;
- 15 (2) allows for a 30-day comment period;
- 16 (3) responds to all comments received on the proposed change;
- 17 (4) provides a notice of language assistance services on all public
18 outreach materials; and
- 19 (5) arranges for language assistance to be provided to members of the
20 public as requested using professional language services companies.

1 (d) Any order issued under ~~this chapter~~ subsection (c) of this section shall
2 be subject to appeal to the Vermont Supreme Court under section 12 of this
3 title, and the Commission must immediately file any orders, a redline, and
4 clean version of the revised rules with the Secretary of State, with notice
5 simultaneously provided to the House Committee on Environment and Energy
6 and the Senate Committees on Finance and on Natural Resources and Energy.

7 Sec. 11. 2023 Acts and Resolves No. 18, Sec. 6 is amended to read:

8 Sec. 6. PUBLIC UTILITY COMMISSION IMPLEMENTATION

9 * * *

10 (f) Final rules.

11 * * *

12 (5) The final proposed rules shall contain the first set of annual required
13 amounts for obligated parties as described in 30 V.S.A. § 8124(a)~~(1)~~(2). The
14 first set of annual required amounts shall only be adopted through the
15 rulemaking process established in this section, not through an order.

16 * * *

17 Sec. 12. 32 V.S.A. § 3102 is amended to read:

18 § 3102. CONFIDENTIALITY OF TAX RECORDS

19 * * *

20 (d) The Commissioner shall disclose a return or return information:

21 * * *

1 (7) to the Joint Fiscal Office pursuant to subsection 10503(e) of this title
2 and subject to the conditions and limitations specified in that subsection; ~~and~~

3 (8) to the Attorney General; the Data Clearinghouse established in the
4 October 2017 Non-Participating Manufacturer Adjustment Settlement
5 Agreement, which the State of Vermont joined in 2018; the National
6 Association of Attorneys General; and counsel for the parties to the Agreement
7 as required by the Agreement and to the extent necessary to comply with the
8 Agreement and only as long as the State is a party to the Agreement; and

9 (9) to the Public Utility Commission and the Department of Public
10 Service, provided the disclosure relates to the sale of heating fuel into or in the
11 State for compliance with the Clean Heat Standard established in 30 V.S.A.
12 chapter 94.

13 * * *

14 * * * Energy Storage Fees * * *

15 Sec. 13. 30 V.S.A. § 248c(d) is amended to read:

16 (d) Electric and natural gas facilities. This subsection sets fees for
17 applications under section 248 of this title.

18 (1) There shall be a ~~registration~~ fee of \$100.00 for each electric
19 generation facility less than or equal to 50 kW in plant capacity, or for a
20 rooftop project, or for a hydroelectric project filing a net metering registration,
21 or for an application filed under subsection 248(n) of this title, or for an energy

1 storage facility less than or equal to 1 MW in nameplate capacity that is
2 required to obtain a certificate of public good under section 248 of this title and
3 is proposed to be located inside an existing building and that would not require
4 any ground disturbance work or upgrades to the distribution system.

5 (2) There shall be a fee of \$25.00 for modifications for each electric
6 generation facility less than or equal to 50 kW in plant capacity, or for a
7 rooftop project, or for a hydroelectric project filing a net metering registration,
8 or for an application filed under subsection 248(n) of this title, or for an energy
9 storage facility less than or equal to 1 MW in nameplate capacity that is
10 required to obtain a certificate of public good under section 248 of this title and
11 is proposed to be located inside an existing building and that would not require
12 any ground disturbance work or upgrades to the distribution system.

13 (3) There shall be a fee for electric generation facilities and energy
14 storage facilities that are required to obtain a certificate of public good under
15 section 248 of this title and that do not qualify for the lower fees in
16 subdivisions (1) and (2) of this subsection, calculated as follows:

17 (A) \$5.00 per kW; and

18 (B) \$100.00 for modifications.

19 (4) For applications that include both a proposed electric generation
20 facility and a proposed energy storage facility, the fee shall be the larger of

1 either the fee for the electric generation facility or the energy storage facility as
2 set out in subdivisions (1) and (3) of this subsection.

3 (5) For applications that propose to add an energy storage facility to a
4 location that already has a certificate of public good for an electric generation
5 facility, the fee shall be that for a proposed new energy storage facility as set
6 out in subdivisions (1) and (3) of this subsection.

7 (6) For applications that propose to add an electric generation facility to
8 a location that already has a certificate of public good for an energy storage
9 facility, the fee shall be that for a proposed new electric generation facility as
10 set out in subdivisions (1) and (3) of this subsection.

11 * * * Energy Savings Account * * *

12 Sec. 14. 30 V.S.A. § 209 is amended to read:

13 § 209. JURISDICTION; GENERAL SCOPE

14 * * *

15 (d) Energy efficiency.

16 * * *

17 (3) Energy efficiency charge; regulated fuels. In addition to its existing
18 authority, the Commission may establish by order or rule a volumetric charge
19 to customers for the support of energy efficiency programs that meet the
20 requirements of section 218c of this title, with due consideration to the State’s
21 energy policy under section 202a of this title and to its energy and economic

1 policy interests under section 218e of this title to maintain and enhance the
2 State’s economic vitality. The charge shall be known as the energy efficiency
3 charge, shall be shown separately on each customer’s bill, and shall be paid to
4 a fund administrator appointed by the Commission and deposited into the
5 Electric Efficiency Fund. When such a charge is shown, notice as to how to
6 obtain information about energy efficiency programs approved under this
7 section shall be provided in a manner directed by the Commission. This notice
8 shall include, at a minimum, a toll-free telephone number, and to the extent
9 feasible shall be on the customer’s bill and near the energy efficiency charge.

10 * * *

11 (B) The charge established by the Commission pursuant to this
12 subdivision (3) shall be in an amount determined by the Commission by rule or
13 order that is consistent with the principles of least-cost integrated planning as
14 defined in section 218c of this title. As circumstances and programs evolve,
15 the amount of the charge shall be reviewed for unrealized energy efficiency
16 potential and shall be adjusted as necessary in order to realize all reasonably
17 available, cost-effective energy efficiency savings. In setting the amount of the
18 charge and its allocation, the Commission shall determine an appropriate
19 balance among the following objectives; provided, however, that particular
20 emphasis shall be accorded to the first four of these objectives: reducing the
21 size of future power purchases; reducing the generation of greenhouse gases;

1 limiting the need to upgrade the State’s transmission and distribution
2 infrastructure; minimizing the costs of electricity; reducing Vermont’s total
3 energy demand, consumption, and expenditures; providing efficiency and
4 conservation as a part of a comprehensive resource supply strategy; providing
5 the opportunity for all Vermonters to participate in efficiency and conservation
6 programs; and targeting efficiency and conservation efforts to locations,
7 markets, or customers where they may provide the greatest value.

8 (C) The Commission, by rule or order, shall establish a process by
9 which a customer who pays an average annual energy efficiency charge under
10 this subdivision (3) of at least \$5,000.00 may apply to the Commission to self-
11 administer energy efficiency through ~~the use of~~ an energy savings account or
12 customer credit programs which that shall contain a percentage of the
13 customer’s energy efficiency charge payments as determined by the
14 Commission. The remaining portion of the charge shall be used for
15 administrative, measurement, verification, and evaluation costs and for
16 systemwide energy benefits. Customer energy efficiency funds may be
17 approved for use by the Commission for one or more of the following: electric
18 energy efficiency projects and non-electric efficiency projects, which may
19 include thermal and process fuel efficiency, flexible load management,
20 combined heat and power systems, demand management, energy productivity,
21 and energy storage. These funds shall not be used for the purchase or

1 installation of new equipment capable of combusting fossil fuels. The
2 Commission in its rules or order shall establish criteria for each program and
3 approval of these applications, establish application and enrollment periods,
4 establish participant requirements, and establish the methodology for
5 evaluation, measurement, and verification for programs. The total amount of
6 customer energy efficiency funds that can be placed into energy savings
7 accounts or the customer credit program annually is \$2,000,000.00 and
8 \$1,000,000.00 respectively.

9 ~~(C)~~(D) The Commission may authorize the use of funds raised
10 through an energy efficiency charge on electric ratepayers to reduce the use of
11 fossil fuels for space heating by supporting electric technologies that may
12 increase electric consumption, such as air source or geothermal heat pumps if,
13 after investigation, it finds that deployment of the technology:

14 * * *

15 * * * Thermal Energy * * *

16 Sec. 15. 30 V.S.A. § 201 is amended to read:

17 § 201. DEFINITIONS

18 As used in this chapter:

19 * * *

20 (7) “Thermal energy” means piped noncombustible fluids used for
21 transferring heat into and out of buildings for the purpose of avoiding,

1 eliminating, reducing any existing or new on-site greenhouse gas emissions of
2 all types of heating and cooling processes, including comfort heating and
3 cooling, domestic hot water, and refrigeration.

4 (8) “Thermal energy network” means all real estate, fixtures, and
5 personal property operated, owned, used, or to be used for or in connection
6 with or to facilitate distribution infrastructure project that supplies thermal
7 energy to more than one household, dwelling unit, or network of buildings that
8 are not commonly owned. This definition does not include a mutual benefit
9 enterprise, cooperative or common interest community that is owned by the
10 persons it serves and that provides thermal energy services only to its
11 members, a landlord providing thermal energy services only to its tenants
12 where the service is included in the lease agreement, or any entity that provides
13 thermal energy services only to itself.

14 Sec. 16. 30 V.S.A. § 231 is amended to read:

15 § 231. CERTIFICATE OF PUBLIC GOOD; ABANDONMENT OF

16 SERVICE; HEARING

17 * * *

18 (d) Notwithstanding any other State law to the contrary, a municipality
19 shall have the authority to construct, operate, set rates for, finance, and use
20 eminent domain for a thermal energy network utility without a certificate of
21 public good or approval by the Commission. Nothing in this section shall alter

1 the requirements of 10 V.S.A. § 151, including for district energy projects such
2 as those described in subdivision 209 (e)(1) of this title.

3 Sec. 17 THERMAL ENERGY NETWORK DEVELOPMENT STUDY

4 (a) On or before December 1, 2025, the Public Utility Commission shall
5 issue a report to the House Committee on Environment and Energy and the
6 Senate Committee on Natural Resources and Energy on how to support the
7 development of thermal energy networks and the permitting of thermal energy
8 network providers. The report shall address all aspects of the permitting,
9 construction, operation, and rates of thermal energy networks and recommend
10 necessary statutory changes.

11 (b) Nothing in this section shall be construed to prohibit persons or
12 companies already regulated by the Commission under this chapter from
13 pursuing thermal energy network projects prior to completion of this study.

14 * * * Baseload Power * * *

15 Sec. 18. 30 V.S.A. § 8009 is amended to read:

16 § 8009. BASELOAD RENEWABLE POWER PORTFOLIO
17 REQUIREMENT

18 * * *

19 (d) On or before November 1, ~~2026~~ 2027, the Commission shall determine,
20 for the period beginning on November 1, ~~2026~~ 2027 and ending on November
21 1, 2032, the price to be paid to a plant used to satisfy the baseload renewable

1 power portfolio requirement. The Commission shall not be required to make
2 this determination as a contested case under 3 V.S.A. chapter 25. The price
3 shall be the avoided cost of the Vermont composite electric utility system. As
4 used in this subsection, the term “avoided cost” means the incremental cost to
5 retail electricity providers of electric energy or capacity, or both, which, but for
6 the purchase from the plant proposed to satisfy the baseload renewable power
7 portfolio requirement, such providers would obtain from a source using the
8 same generation technology as the proposed plant. For the purposes of this
9 subsection, the term “avoided cost” also includes the Commission’s
10 consideration of each of the following:

11 * * *

12 (k) Collocation and efficiency requirements.

13 * * *

14 (3) On or before October 1, ~~2024~~ 2025, the owner of the plant shall
15 submit to the Commission and the Department a certification that the main
16 components of the facility used to meet the requirement of subdivision (1) of
17 this subsection ~~(k)~~ have been manufactured and that the construction plans for
18 the facility have been completed.

19 (4) If the contract and certification required under subdivision (2) of this
20 subsection are not submitted to the Commission and Department on or before
21 July 1, 2023 or if the certification required under subdivision (3) is not

1 submitted to the Commission and Department on or before October 1, ~~2024~~
2 2025, then the obligation under this section for each Vermont retail electricity
3 provider to purchase a pro rata share of the baseload renewable power portfolio
4 requirement shall cease on November 1, ~~2024~~ 2025, and the Commission is not
5 required to conduct the rate determination provided for in subsection (d) of this
6 section.

7 (5) On or before September 1, ~~2025~~ 2026, the Department shall
8 investigate and submit a recommendation to the Commission on whether the
9 plant has achieved the requirement of subdivision (1) of this subsection. If the
10 Department recommends that the plant has not achieved the requirement of
11 subdivision (1) of this subsection, the obligation under this section shall cease
12 on November 1, ~~2025~~ 2026, and the Commission is not required to conduct the
13 rate determination provided for in subsection (d) of this section.

14 (6) After November 1, ~~2026~~ 2027, the owner of the plant shall report
15 annually to the Department and the Department shall verify the overall
16 efficiency of the plant for the prior 12-month period. If the overall efficiency
17 of the plant falls below the requirement of subdivision (1) of this subsection,
18 the report shall include a plan to return the plant to the required efficiency
19 within one year.

20 (7) If, after implementing the plan in subdivision (6) of this subsection,
21 the owner of the plant does not achieve the efficiency required in subdivision

1 (1) of this subsection, the Department shall request that the Commission
2 commence a proceeding to terminate the obligation under this section.

3 (8) The Department may retain research, scientific, or engineering
4 services to assist it in making the recommendation required under subdivision
5 (5) of this subsection and in reviewing the information required under
6 subdivision (6) of this subsection and may allocate the expense incurred or
7 authorized by it to the plant's owner.

8 * * *

9 Sec. 19. BIOMASS SUPPLIERS AND CONSTRUCTION

10 (a) The owner of the plant used to satisfy the baseload renewable power
11 portfolio requirement under 30 V.S.A. § 8009 shall offer to enter into written
12 contracts with each of its biomass suppliers establishing customary commercial
13 terms, including payment timelines, supply volume, and term length.

14 (b) For biomass suppliers that are not a party to a supply contract with the
15 plant owner as of April 1, 2024, the plant owner shall offer to provide supply
16 contracts to ensure payment to such suppliers for biomass deliveries within
17 seven business days of the invoice date.

18 (c) The plant owner shall ensure that the payments made to each biomass
19 supplier are timely, accurate, and valid. In the event any payment is not timely
20 made under the terms of a supplier contract, the plant owner shall pay a late
21 payment penalty to the supplier equal to five percent per week.

1 (1) Energy generation and consumption is in a state of transition,
2 shifting towards beneficial, strategic electrification using efficiency,
3 renewables, storage, and flexible demand management.

4 (2) There is an increasing understanding of energy burden that is
5 measured in terms of the percentage of household income that is spent on
6 energy costs.

7 (3) Total energy costs are a result of multiple expenditures such as
8 electricity costs, transportation costs, and building heating and cooling costs.

9 (4) As energy consumption shifts from fossil fuels to electricity,
10 electricity costs may increase but total energy costs (including transportation
11 and building heating and cooling costs) are expected to decrease.

12 (5) There are various income-sensitive programs available to Vermont
13 households that assist with energy costs.

14 (b) The Public Utility Commission shall study current and potential future
15 programs and initiatives focused on reducing or stabilizing energy costs for
16 low- or moderate-income households and shall make a determination as to
17 whether a statewide program to reduce energy burden is needed in Vermont.
18 In conducting its analysis, the Commission shall take into consideration a
19 comprehensive approach that recognizes electric costs might rise but that total
20 energy costs are expected to decrease because of increased electrification,
21 efficiency, storage, and demand response activities. The Commission shall

1 submit a written report of its findings and recommendations to the General
2 Assembly on or before December 1, 2025.

3 (c) In conducting the study required by this section, the Commission shall
4 seek input from interested stakeholders, including the Department of Public
5 Service, the Agency of Human Services, the Agency of Transportation, the
6 efficiency utilities, electric distribution utilities, residential customers, low-
7 income program representatives, consumer-assistance program representatives,
8 statewide environmental organizations, environmental justice entities, at least
9 one low-income cost reduction program participant, at least one moderate-
10 income cost reduction program participant, and any other stakeholders
11 identified by the Commission.

12 (d)(1) As part of its study, the Commission shall assess current programs
13 within and outside Vermont designed to directly reduce or stabilize energy
14 expenditures for low- or moderate-income households and shall seek to
15 identify successful design elements of each. In particular, the Commission
16 shall assess:

17 (A) Vermont low-income electric energy cost reduction programs;

18 (B) statewide energy cost reduction programs currently available
19 outside Vermont; and

20 (C) Vermont programs available to low- and moderate-income
21 households that are designed to reduce transportation, thermal, or electric

1 energy costs, including through investments in efficiency or electrification
2 measures.

3 (2) In assessing existing programs, the Commission shall take into
4 consideration and develop findings regarding each program's:

5 (A) funding model and funding source;

6 (B) eligibility requirements;

7 (C) process for making and monitoring eligibility determinations;

8 (D) administrative structure;

9 (E) efficacy in terms of eligibility, customer participation, funding,
10 program offerings, and coordination with other programs, and where there
11 might be opportunities for program improvement, particularly regarding
12 administrative savings and efficiencies and universality of access; and

13 (F) ability to assist the State with achieving its greenhouse gas
14 reduction requirements in a manner that is consistent with State policy on
15 environmental justice.

16 (e) The report required by this section shall include the following:

17 (1) Recommendations as to how existing programs may better
18 coordinate to ensure low- and moderate-income Vermonters are reducing their
19 total energy consumption and costs.

20 (2) If applicable, identification of obstacles and recommended solutions
21 for increasing coordination across electric, thermal, and transportation energy

1 cost reduction programs, including through the sharing of best practices and
2 program design and implementation successes.

3 (3) A recommendation as to whether existing programs should continue
4 to operate and align with a new statewide program or, instead, transition
5 eligible customers to a statewide program and otherwise cease operations.

6 (4) A recommendation regarding the most appropriate financing
7 mechanism for a statewide energy cost stabilization program if such a program
8 is recommended and, in addition, recommendations regarding:

9 (A) eligibility requirements, which may be based on income,
10 participation in other public assistance programs, or other potential approach;

11 (B) a process for making and monitoring eligibility determinations;
12 and

13 (C) any other matters deemed appropriate by the Commission.

14 * * * Effective Dates * * *

15 Sec. 22. EFFECTIVE DATES

16 This act shall take effect on passage, except that Sec. 20, (30 V.S.A. §
17 7004(c)) shall take effect on November 1, 2024.

18
19
20 (Committee vote: _____)

1

2

Representative _____

3

FOR THE COMMITTEE