

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 by
6 striking out Sec. 13, effective date, and its reader assistance heading in their
7 entirety and inserting in lieu thereof the following:

8 * * * Thermal Energy * * *

9 Sec. 13. 30 V.S.A. § 201 is amended to read:

10 § 201. DEFINITIONS

11 As used in this chapter:

12 * * *

13 (7) “Thermal energy” means piped noncombustible fluids used for
14 transferring heat into and out of buildings for the purpose of avoiding,
15 eliminating, reducing any existing or new on-site greenhouse gas emissions of
16 all types of heating and cooling processes, including comfort heating and
17 cooling, domestic hot water, and refrigeration.

18 (8) “Thermal energy network” means all real estate, fixtures, and
19 personal property operated, owned, used, or to be used for or in connection
20 with or to facilitate distribution infrastructure project that supplies thermal
21 energy to more than one household, dwelling unit, or network of buildings that

1 are not commonly owned. This definition does not include a mutual benefit
2 enterprise, cooperative or common interest community that is owned by the
3 persons it serves and that provides thermal energy services only to its
4 members, a landlord providing thermal energy services only to its tenants
5 where the service is included in the lease agreement, or any entity that provides
6 thermal energy services only to itself.

7 Sec. 14. 30 V.S.A. § 203 is amended to read:

8 § 203. JURISDICTION OF CERTAIN PUBLIC UTILITIES

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

20 (1) A company engaged in the manufacture, transmission, distribution,
21 storage, or sale of gas or electricity directly to the public or to be used

1 ultimately by the public for lighting, heating, or power and so far as relates to
2 their use or occupancy of the public highways.

3 * * *

4 (7) A person or company, other than a municipality or entity otherwise
5 exempted by the Commission under rules adopted pursuant to section 256 of
6 this title, that owns or operates a thermal energy network.

7 (8) Notwithstanding subdivisions (1) and (2) of this section, the
8 Commission and Department shall not have jurisdiction over persons otherwise
9 not regulated by the Commission that are engaged in the siting, construction,
10 ownership, operation, or control of a facility that sells or supplies electricity to
11 the public exclusively for charging a plug-in electric vehicle, as defined in 23
12 V.S.A. § 4(85). These persons may charge by the kWh for owned or operated
13 electric vehicle supply equipment, as defined in section 201 of this title, but
14 shall not be treated as an electric distribution utility just because electric
15 vehicle supply equipment charges by the kWh.

16 ~~(8)~~(9) For purposes of this section, “storage” has the same meaning as
17 “energy storage facility” as defined in section 201 of this title.

18 Sec. 15. 30 V.S.A. § 231 is amended to read:

19 § 231. CERTIFICATE OF PUBLIC GOOD; ABANDONMENT OF
20 SERVICE; HEARING

21 * * *

1 (d) Notwithstanding the provisions of subdivision 248(a)(2) of title or any
2 other State law to the contrary, a municipality shall have the authority to
3 construct, operate, set rates for, finance, and use eminent domain for a thermal
4 energy network utility without a certificate of public good or approval by the
5 Commission, in the same manner and to the same extent as its charter or the
6 general laws authorize the municipality to construct, operate, set rates for,
7 finance and use eminent domain in order to supply water or sewer service.
8 Nothing in this section shall alter the requirements of 10 V.S.A. § 151,
9 including for district energy projects such as those described in subdivision
10 209 (e)(1) of this title.

11 (e) Any person or company may petition for a certificate of public good
12 pursuant subsection (a) of this section to own or operate a thermal energy
13 network; provided, however, that any utility with existing authority established
14 prior to July 1, 2024 to provide retail electric or natural gas service shall also
15 be authorized to own or operate a thermal energy network subject to the
16 provisions of this title and rules issued by the Commission.

17 Sec. 16. 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
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19

* * *

(2) Except for the replacement of existing facilities with equivalent facilities in the usual course of business, and except for electric generation or energy storage facilities that are operated solely for on-site electricity consumption by the owner of those facilities and for hydroelectric generation facilities subject to licensing jurisdiction under the Federal Power Act, 16 U.S.C. chapter 12, subchapter 1:

(A) no company, as defined in section 201 of this title, and no person, as defined in 10 V.S.A. § 6001(14), may begin site preparation for or construction of an electric generation facility, energy storage facility, or electric transmission facility within the State that is designed for immediate or eventual operation at any voltage or a thermal energy network within the State; and

(B) no such company may exercise the right of eminent domain in connection with site preparation for or construction of any such transmission facility, energy storage facility, or generation facility, 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.

* * *

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

2 § 256. THERMAL ENERGY NETWORK DEVELOPMENT

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

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 establishment of thermal energy networks to serve customers with low income
10 and moderate income, which may include reduced rates if necessary.

11 (c) The rules shall ensure that:

12 (1) permitting is simple, economic, expeditious, and Commission review
13 of a proposed thermal energy network under section 248 of this title is limited
14 to the process set forth in subsection 248(j) of this title unless there is a
15 compelling need for additional process;

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 there is an applicable exemption under 1 V.S.A. § 317 and the
21 Commission issues a protective order.

