

ENERGY SAVINGS ACCOUNT – BACKGROUND

2008 – PUC directed to establish a program for customers that pay at least \$5000 in EEC annually to apply to PUC to self-administer energy efficiency by accessing a % of their EEC.

2018 – Act 150 established the ESA Partnership Pilot Program for participants to self direct the use of their EEC funds working in partnership with Efficiency Vermont. Pilot limited to \$2M in aggregate use of all customer EEC funds.

2022 – Act 164 extended Pilot through the end of 2023 and created ESA Partnership Pilot Program Working Group to evaluate how to update the existing ESA program based on experiences with the Pilot.

2023 – DPS filed ESA Working Group report in January. December 2023 Pilot ended. Participants permitted to spend down (but not accrue) funds that were committed to projects prior to January 2024.

2024 – DPS with support from EVT, ACCD and pilot participants will petition the PUC to update the ESA (and Customer Credit Program) using existing authority. DPS, EVT, ACCD, and pilot participants seek legislative authority for PUC to approve use of EEC funds in ESA and CCP for wider array of energy savings projects and set annual caps on programs.

ESA Pilot Participants – large commercial and industrial companies were incentivized to develop significant projects to meet the overall goal of saving energy, improving the climate and supporting local economies. Many are critical Vermont manufacturers and large employers located in some of the most rural and economically challenged areas of the state including the NEK, Bellows Falls, Arlington, St. Johnsbury, Vergennes and Sheldon. The skiing and outdoor recreation industry is also well represented.

Chroma Technology Corporation

Collins Aerospace

Ethan Allen Operations

Killington Resort/Pico Mountain Resort

Mack Molding Company

Weidmann Electrical Technology, Inc.

Westrock Converting, LLC

Vail Resorts Management Company (Stowe, Okemo, Mount Snow)

Champlain Water District (in existing ESA program)

New language authorizes or affirms the authority of the PUC to:

- Affirms PUC authority to set the percentage of EEC funds that go into a participant's Energy Savings Account and the Customer Credit Program account and how the remaining portion may be used by Efficiency Vermont and the DPS.
- Affirms PUC authority to set parameters around programs for application and approval, enrollment, project tracking and verification of programs.
- *Allow EEC funds to be used for a wider range of purposes in addition to electrical energy efficiency.*
- *Prohibits the use of EEC funds for purchase and installation of fossil fuel combusting equipment.*
- *Sets annual caps on the total amount that can be placed into the ESA and CCP programs of \$2M and \$1M respectively based on EVT and DPS recommendations.*
- Creates a new subsection (C) to break existing (B) into two distinct subsections for clarity. Makes existing (C) now (D).

(C) The Commission, by rule or order, shall establish a process by which a customer who pays an average annual energy efficiency charge under this subdivision (3) of at least \$5,000.00 may apply to the Commission to self-administer energy efficiency through ~~the use of an~~ energy savings account or customer credit programs which shall contain a percentage of the customer's energy efficiency charge payments as determined by the Commission. The remaining portion of the charge shall be used for administrative, measurement, verification, and evaluation costs and for systemwide energy benefits. Customer energy efficiency funds may be approved for use by the Commission ~~used~~ for one or more of the following: electric energy efficiency projects and non-electric efficiency projects which may include thermal and process fuel efficiency, flexible load management, combined heat and power systems, demand management, energy productivity, and energy storage. These funds shall not be used for the purchase or installation of new equipment capable of combusting fossil fuels. The Commission in its rules or order shall establish criteria for each program and approval of these applications, establish application and enrollment periods, establish participant requirements, and establish the methodology for evaluation, measurement, and verification for programs. The total amount of customer energy efficiency funds that can be placed into energy savings accounts or the customer credit program annually is \$2 million and \$1 million respectively.