

1 TO THE HOUSE OF REPRESENTATIVES:

2 The Committee on Environment and Energy to which was referred Senate
3 Bill No. 5 entitled “An act relating to affordably meeting the mandated
4 greenhouse gas reductions for the thermal sector through efficiency,
5 weatherization measures, electrification, and decarbonization” respectfully
6 reports that it has considered the same and recommends that the House propose
7 to the Senate that the bill be amended by striking out all after the enacting
8 clause and inserting in lieu thereof the following:

9 Sec. 1. SHORT TITLE

10 This act shall be known and may be cited as the “Affordable Heat Act.”

11 Sec. 2. FINDINGS

12 The General Assembly finds:

13 (1) All of the legislative findings made in 2020 Acts and Resolves
14 No. 153, Sec. 2, the Vermont Global Warming Solutions Act of 2020
15 (GWSA), remain true and are incorporated by reference here.

16 (2) Under the GWSA and 10 V.S.A. § 578, Vermont has a legal
17 obligation to reduce greenhouse gas emissions to specific levels by 2025, 2030,
18 and 2050.

19 (3) The Vermont Climate Council was established under the GWSA and
20 was tasked with, among other things, recommending necessary legislation to
21 reduce greenhouse gas emissions. The Initial Vermont Climate Action Plan

1 calls for the General Assembly to adopt legislation authorizing the Public
2 Utility Commission to administer the Clean Heat Standard consistent with the
3 recommendations of the Energy Action Network’s Clean Heat Standard
4 Working Group.

5 (4) As required by the GWSA, the Vermont Climate Council published
6 the Initial Vermont Climate Action Plan on December 1, 2021. As noted in
7 that plan, over one-third of Vermont’s greenhouse gas emissions in 2018 came
8 from the thermal sector. In that year, approximately 72 percent of Vermont’s
9 thermal energy use was fossil based, including 29 percent from the burning of
10 heating oil, 24 percent from fossil gas, and 19 percent from propane.

11 (5) To meet the greenhouse gas emission reductions required by the
12 GWSA, Vermont needs to transition away from its current carbon-intensive
13 building heating practices to lower-carbon alternatives. It also needs to do this
14 equitably, recognizing economic effects on energy users, especially energy-
15 burdened users; on the workforce currently providing these services; and on
16 the overall economy.

17 (6) Vermonters have an unprecedented opportunity to invest in eligible
18 clean heat measures with funding from new federal laws including, the
19 Infrastructure Investment and Jobs Act of 2021 and the Inflation Reduction Act
20 of 2022.

1 Sec. 3. 30 V.S.A. chapter 94 is added to read:

2 CHAPTER 94. CLEAN HEAT STANDARD

3 § 8121. INTENT

4 Pursuant to 2 V.S.A. § 205(a), it is the intent of the General Assembly that
5 the Clean Heat Standard be designed and implemented in a manner that
6 achieves Vermont’s thermal sector greenhouse gas emissions reductions
7 necessary to meet the requirements of 10 V.S.A. § 578(a)(2) and (3),
8 minimizes costs to customers, protects public health, and recognizes that
9 affordable heating is essential for Vermonters. It shall enhance social equity
10 by prioritizing customers with low income and moderate income and those
11 households with the highest energy burdens. The Clean Heat Standard shall, to
12 the greatest extent possible, maximize the use of available federal funds to
13 deliver clean heat measures.

14 § 8122. CLEAN HEAT STANDARD

15 (a) The Clean Heat Standard is established. Under this program, obligated
16 parties shall reduce greenhouse gas emissions attributable to the Vermont
17 thermal sector by retiring required amounts of clean heat credits to meet the
18 thermal sector portion of the greenhouse gas emission reduction obligations of
19 the Global Warming Solutions Act.

1 (b) By rule or order, the Commission shall establish or adopt a system of
2 tradeable clean heat credits earned from the delivery of clean heat measures
3 that reduce greenhouse gas emissions.

4 (c) An obligated party shall obtain the required amount of clean heat credits
5 through delivery of eligible clean heat measures by a default delivery agent,
6 unless the obligated party receives prior approval from the Commission to use
7 another method as to obtain the required amount of clean heat credits through
8 the delivery of eligible clean heat measures, through contracts for delivery of
9 eligible clean heat measures, through the market purchase of clean heat credits,
10 or through delivery of eligible clean heat measures by a designated statewide
11 default delivery agent. An obligated party shall inform the Commission of
12 how it plans to meet its obligation through the process described in section
13 8125 of this title.

14 (d) The Commission shall adopt rules and may issue orders to implement
15 and enforce the Clean Heat Standard program.

16 § 8123. DEFINITIONS

17 As used in this chapter:

18 (1) “Carbon intensity value” means the amount of lifecycle greenhouse
19 gas emissions per unit of energy of fuel expressed in grams of carbon dioxide
20 equivalent per megajoule (gCO₂e/MJ).

1 (2) “Clean heat credit” means a tradeable, nontangible commodity that
2 represents the amount of greenhouse gas reduction attributable to a clean heat
3 measure. The Commission shall establish a system of management for clean
4 heat credits pursuant to this chapter.

5 (3) “Clean heat measure” means fuel delivered and technologies
6 installed to end-use customers in Vermont that reduce greenhouse gas
7 emissions from the thermal sector. Clean heat measures shall not include
8 switching from one fossil fuel use to another fossil fuel use. The Commission
9 may adopt a list of acceptable actions that qualify as clean heat measures.

10 (4) “Commission” means the Public Utility Commission.

11 (5) “Customer with low income” means a customer with a household
12 income of up to 60 percent of the area or statewide median income, whichever
13 is greater, as published annually by the U.S. Department of Housing and Urban
14 Development or a customer who qualifies for a government-sponsored, low-
15 income energy subsidy.

16 (6) “Customer with moderate income” means a customer with a
17 household income between 60 percent and 120 percent of the area or statewide
18 median income, whichever is greater, as published annually by the U.S.
19 Department of Housing and Urban Development.

20 (7) “Default delivery agent” means an entity designated by the
21 Commission to provide services that generate clean heat measures.

1 (8) “Energy burden” means the annual spending on thermal energy as a
2 percentage of household income.

3 (9) “Entity” means any individual, trustee, agency, partnership,
4 association, corporation, company, municipality, political subdivision, or any
5 other form of organization.

6 (10) “Fuel pathway” means a detailed description of all stages of fuel
7 production and use for any particular fuel, including feedstock generation or
8 extraction, production, transportation, distribution, and combustion of the fuel
9 by the consumer. The fuel pathway is used in the calculation of the carbon
10 intensity value and lifecycle greenhouse gas emissions of each fuel.

11 (11) “Heating fuel” means fossil-based heating fuel, including oil,
12 propane, natural gas, coal, and kerosene.

13 (12) “Obligated party” means:

14 (A) A regulated natural gas utility serving customers in Vermont.

15 (B) For other heating fuels, the entity that imports heating fuel for
16 ultimate consumption within the State, or the entity that produces, refines,
17 manufactures, or compounds heating fuel within the State for ultimate
18 consumption within the State. For the purpose of this section, the entity that
19 imports heating fuel is the entity that has ownership title to the heating fuel at
20 the time it is brought into Vermont.

1 (13) “Thermal sector” has the same meaning as the “Residential,
2 Commercial and Industrial Fuel Use” sector as used in the Vermont
3 Greenhouse Gas Emissions Inventory and Forecast and does not include non-
4 road diesel or any other transportation or other fuel use categorized elsewhere
5 in the Vermont Greenhouse Gas Emissions Inventory and Forecast.

6 § 8124. CLEAN HEAT STANDARD COMPLIANCE

7 (a) Required amounts.

8 (1) The Commission shall establish the number of clean heat credits that
9 each obligated party is required to retire each calendar year. The size of the
10 annual requirement shall be set at a pace sufficient for Vermont’s thermal
11 sector to achieve lifecycle carbon dioxide equivalent (CO₂e) emission
12 reductions consistent with the requirements of 10 V.S.A. § 578(a)(2) and (3)
13 expressed as lifecycle greenhouse gas emissions pursuant to subsection
14 8127(g) of this title.

15 (2) Annual requirements shall be expressed as a percent of each
16 obligated party’s contribution to the thermal sector’s lifecycle CO₂e emissions
17 in the previous year. The annual percentage reduction shall be the same for all
18 obligated parties. To ensure understanding among obligated parties, the
19 Commission shall publicly provide a description of the annual requirements in
20 plain terms with translation services available.

1 (3) To support the ability of the obligated parties to plan for the future,
2 the Commission shall establish and update annual clean heat credit
3 requirements for the next 10 years. Every three years, the Commission shall
4 extend the requirements three years; shall assess emission reductions actually
5 achieved in the thermal sector; and, if necessary, revise the pace of clean heat
6 credit requirements for future years to ensure that the thermal sector portion of
7 the emission reduction requirements of 10 V.S.A. § 578(a)(2) and (3) for 2030
8 and 2050 will be achieved.

9 (4) The Commission may temporarily, for a period not to exceed 36
10 months, adjust the annual requirements for good cause after notice and
11 opportunity for public process. Good cause may include a shortage of clean
12 heat credits, market conditions as identified by the Department’s potential
13 study conducted pursuant to section 8125 of this title, or undue adverse
14 financial impacts on particular customers or demographic segments. The
15 Commission shall ensure that any downward adjustment does not materially
16 affect the State’s ability to comply with the requirements of 10 V.S.A.
17 § 578(a)(2) and (3).

18 (b) Annual registration.

19 (1) Each entity that sells heating fuel into or in Vermont shall register
20 annually with the Commission by an annual deadline established by the
21 Commission. The first registration deadline is January 31, 2024, and the

1 annual deadline shall remain January 31 of each year unless a different
2 deadline is established by the Commission. The form and information required
3 in the registration shall be determined by the Commission and shall include all
4 data necessary to establish annual requirements under this chapter. The
5 Commission shall use the information provided in the registration to determine
6 whether the entity shall be considered an obligated party and the amount of its
7 annual requirement.

8 (2) At a minimum, the Commission shall require registration
9 information to include legal name; doing business as name, if applicable;
10 municipality; state; types of heating fuel sold; the exact amount of gallons of
11 each fuel type, separated by type, that was purchased by the submitting entity
12 and the name and location of the entity from which it was purchased; and the
13 volume of sales of heating fuels into or in the State for final sale or
14 consumption in the State in the calendar year immediately preceding the
15 calendar year in which the entity is registering with the Commission.

16 (3)(A) Beginning in 2024, each year on or before July 15, the
17 Department of Taxes shall annually provide to the Commission a copy of the
18 forms that were submitted between July 1 of the previous year and June 30 of
19 the current year by the entities that pay the existing fuel tax established in 33
20 V.S.A. § 2503(a)(1) and (2). If any form contains a Social Security number,
21 the Department of Taxes shall redact that information before submitting a copy

1 ~~of the form to the Commission. Notwithstanding any other provision of law,~~
2 ~~including 33 V.S.A. § 2503(c) and any confidentiality provisions that would~~
3 ~~normally apply to tax forms, the fuel tax forms submitted pursuant to 33~~
4 ~~V.S.A. § 2503(a)(1) and (2) shall be public documents, and the Commission~~
5 ~~shall make those documents publicly available.~~

6 ~~(B) On or before July 1, 2023, the Department of Taxes shall ensure~~
7 ~~that the fuel tax form required under 33 V.S.A. § 2503(a)(1) and (2) includes a~~
8 ~~prominent notice explaining that, pursuant to this section, the form will be~~
9 ~~provided to the Public Utility Commission and will be made publicly available.~~

10 ~~(C) The Department of Taxes shall further ensure that the fuel tax~~
11 ~~form requires that each submitting entity list the exact amount of gallons of~~
12 ~~each fuel type, separated by type, that was sold in Vermont, as well as a list of~~
13 ~~the exact amount of gallons of each fuel type, separated by type, that was~~
14 ~~purchased by the submitting entity and the name and location of the entity~~
15 ~~from which it was purchased.~~

16 (4) Each year, and not later than 30 days following the annual
17 registration deadline established by the Commission, the Commission shall
18 share complete registration information of obligated parties with the Agency of
19 Natural Resources and the Department of Public Service for purposes of
20 updating the Vermont Greenhouse Gas Emissions Inventory and Forecast and
21 meeting the requirements of 10 V.S.A. § 591(b)(3).

1 (5) The Commission shall maintain, and update annually, a list of
2 registered entities on its website that contains the required registration
3 information.

4 (6) For any entity not registered on or before January 31, 2024, the first
5 registration form shall be due 30 days after the first sale of heating fuel to a
6 location in Vermont.

7 (7) Clean heat requirements shall transfer to entities that acquire an
8 obligated party.

9 (8) Entities that cease to operate shall retain their clean heat requirement
10 for their final year of operation.

11 (c) Early action credits. Beginning on January 1, 2023, clean heat
12 measures that are installed and provide emission reductions are creditable.
13 Upon the establishment of the clean heat credit system, entities may register
14 credits for actions taken starting in 2023.

15 (d) Equitable distribution of clean heat measures.

16 (1) The Clean Heat Standard shall be designed and implemented to
17 enhance social equity by prioritizing customers with low income, moderate
18 income, those households with the highest energy burdens, and renter
19 households with tenant-paid energy bills. The design shall ensure all
20 customers have an equitable opportunity to participate in, and benefit from,

1 clean heat measures regardless of heating fuel used, income level, geographic
2 location, residential building type, or homeownership status.

3 (2) Of their annual requirement, each obligated party shall retire at least
4 16 percent from customers with low income and an additional 16 percent from
5 customers with low or moderate income. For each of these groups, at least
6 one-half of these credits shall be from installed clean heat measures that
7 require capital investments in homes, have measure lives of 10 years or more,
8 and are estimated by the Technical Advisory Group to lower annual energy
9 bills. Examples shall include weatherization improvements and installation of
10 heat pumps, heat pump water heaters, and advanced wood heating systems.
11 The Commission may identify additional measures that qualify as installed
12 measures.

13 (3) The Commission shall consider frontloading the credit requirements
14 for customers with low income and moderate income so that the greatest
15 proportion of clean heat measures reach Vermonters with low income and
16 moderate income in the earlier years.

17 (4) With consideration to how to best serve customers with low income
18 and moderate income, the Commission shall have authority to change the
19 percentages established in subdivision (2) of this subsection for good cause
20 after consultation with the Equity Advisory Group, notice, and opportunity for
21 public process. Good cause may include a shortage of clean heat credits or

1 undue adverse financial impacts on particular customers or demographic
2 segments.

3 (5) In determining whether to exceed the minimum percentages of clean
4 heat measures that must be delivered to customers with low income and
5 moderate income, the Commission shall take into account participation in other
6 government-sponsored low-income and moderate-income weatherization
7 programs. Participation in other government-sponsored low-income and
8 moderate-income weatherization programs shall not limit the ability of those
9 households to participate in programs under this chapter.

10 (6) A clean heat measure delivered to a customer qualifying for a
11 government-sponsored, low-income energy subsidy shall qualify for clean heat
12 credits required by subdivision (2) of this subsection.

13 (7) Customer income data collected shall be kept confidential by the
14 Commission, the Department of Public Service, the obligated parties and any
15 entity that delivers clean heat measures.

16 (e) Credit banking. The Commission shall allow an obligated party that
17 has met its annual requirement in a given year to retain clean heat credits in
18 excess of that amount for future sale or application to the obligated party's
19 annual requirements in future compliance periods, as determined by the
20 Commission.

21 (f) Enforcement.

1 (1) The Commission shall have the authority to enforce the requirements
2 of this chapter and any rules or orders adopted to implement the provisions of
3 this chapter. The Commission may use its existing authority under this title.
4 As part of an enforcement order, the Commission may order penalties and
5 injunctive relief.

6 (2) The Commission shall order an obligated party that fails to retire the
7 number of clean heat credits required in a given year, including the required
8 amounts from customers with low income and moderate income, to make a
9 noncompliance payment to the default delivery agent. The per-credit amount
10 of the noncompliance payment shall be ~~four~~~~three~~ times the amount established
11 by the Commission for timely per-credit payments to the default delivery
12 agent.

13 (3) However, the Commission may waive the noncompliance payment
14 required by subdivision (2) of this subsection for an obligated party if the
15 Commission:

16 (A) finds that the obligated party made a good faith effort to acquire
17 the required amount and its failure resulted from market factors beyond its
18 control; and

19 (B) directs the obligated party to add the number of credits deficient
20 to one or more future years.

1 (4) False or misleading statements or other representations made to the
2 Commission by obligated parties related to compliance with the Clean Heat
3 Standard are subject to the Commission’s enforcement authority, including the
4 power to investigate and assess penalties, under this title.

5 (5) The Commission’s enforcement authority does not in any way
6 impede the enforcement authority of other entities, such as the Attorney
7 General’s office.

8 (6) Failure to register with the Commission as required by this section is
9 a violation of the Consumer Protection Act in 9 V.S.A. chapter 63.

10 (g) Records. The Commission shall establish requirements for the types of
11 records to be submitted by obligated parties, a record retention schedule for
12 required records, and a process for verification of records and data submitted in
13 compliance with the requirements of this chapter.

14 (h) Reports.

15 (1) As used in this subsection, “standing committees” means the House
16 Committee on Environment and Energy and the Senate Committees on
17 Finance and on Natural Resources and Energy.

18 (2) After the adoption of the rules implementing this chapter, the
19 Commission shall submit a written report to the standing committees detailing
20 the efforts undertaken to establish the Clean Heat Standard pursuant to this
21 chapter.

1 (3) On or before January 15 of each year following the year in which the
2 rules are first adopted under this chapter, the Commission shall submit to the
3 standing committees a written report detailing the implementation and
4 operation of the Clean Heat Standard. This report shall include an assessment
5 on the equitable adoption of clean heat measures required by subsection (d) of
6 this section, along with recommendations to increase participation for the
7 households with the highest energy burdens. The provisions of 2 V.S.A.
8 § 20(d) (expiration of required reports) shall not apply to the report to be made
9 under this subsection.

10 § 8125. DEFAULT DELIVERY AGENT

11 (a) Default delivery agent designated. In place of obligated-party specific
12 programs, the Commission shall provide for the development and
13 implementation of statewide clean heat programs and measures by one or more
14 default delivery agents appointed by the Commission for these purposes. The
15 Commission may specify that appointment of a default delivery agent to
16 deliver clean heat services, on behalf of obligated entities who pay the per-
17 credit fee to the default delivery agent, satisfies those entities' corresponding
18 obligations under this chapter.

19 (b) Appointment. The default delivery agent shall be one or more
20 statewide entities capable of providing a variety of clean heat measures. The
21 Commission shall designate the first default delivery agent on or before June 1,

1 2024. The designation of an entity under this subsection may be by order of
2 appointment or contract. A designation, whether by order of appointment or
3 by contract, may only be issued after notice and opportunity for hearing. An
4 existing order of appointment issued by the Commission under section 209 of
5 this title may be amended to include the responsibilities of the default delivery
6 agent. An order of appointment shall be for a limited duration not to exceed 12
7 years, although an entity may be reappointed by order or contract. An order of
8 appointment may include any conditions and requirements that the
9 Commission deems appropriate to promote the public good. For good cause,
10 after notice and opportunity for hearing, the Commission may amend or revoke
11 an order of appointment.

12 (c) Supervision. Any entity appointed by order of appointment under this
13 section that is not an electric or gas utility already regulated under this title
14 shall not be considered to be a company as defined under section 201 of this
15 title but shall be subject to the provisions of sections 18–21, 30–32, 205–208;
16 subsection 209(a); sections 219 and 221; and subsection 231(b) of this title, to
17 the same extent as a company as defined under section 201 of this title. The
18 Commission and the Department of Public Service shall have jurisdiction
19 under those sections over the entity, its directors, receivers, trustees, lessees, or
20 other persons or companies owning or operating the entity and of all plants,
21 equipment, and property of that entity used in or about the business carried on

1 by it in this State as covered and included in this section. This jurisdiction
2 shall be exercised by the Commission and the Department so far as may be
3 necessary to enable them to perform the duties and exercise the powers
4 conferred upon them by law. The Commission and the Department each may,
5 when they deem the public good requires, examine the plants, equipment, and
6 property of any entity appointed by order of appointment to serve as a default
7 delivery agent.

8 (d) Use of default delivery agent.

9 (1) An obligated party shall meet its annual requirement through a
10 designated default delivery agent appointed by the Commission. However, the
11 obligated party may be approved by the Commission seek to meet its
12 requirement, in whole or in part, through one or more for the following ways:
13 by delivering eligible clean heat measures, by contracting for delivery of
14 eligible clean heat measures, or through the market purchase of clean heat
15 credits. An obligated party shall be approved by the Commission to meet its
16 annual requirement using a method other than the default delivery agent if it
17 provides sufficient details on the party's capacity and resources to achieve the
18 emissions reductions.

19 (2) The Commission shall provide a form for an obligated party to
20 indicate how it intends to meet its requirement, The form shall require
21 sufficient information to determine the nature of the credits that the default

1 delivery agent will be responsible to deliver on behalf of the obligated party. If
2 the Commission approves of a plan for an obligated party to meet its obligation
3 through a mechanism other than payment to a designated default delivery
4 agent, then the Commission shall make such approvals known to the default
5 delivery agent as soon as practicable.

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

17 (4) The default delivery agent shall deliver creditable clean heat
18 measures either directly or indirectly to end-use customer locations in Vermont
19 sufficient to meet the total aggregated annual requirement assigned to it
20 pursuant to this subsection, along with any additional amount achievable
21 through noncompliance payments as described in subdivision 8124(f)(2) of this

1 title. Clean heat credits generated through installed measures delivered by the
2 default delivery agent on behalf of an obligated party are creditable in future
3 years. Those credits not required to meet the obligated party’s existing
4 obligations shall be owned by the obligated party.

5 (e) Budget.

6 (1) The Commission shall open a proceeding on or before July 1, 2023
7 and at least every three years thereafter to establish the default delivery agent
8 credit cost or costs and the quantity of credits to be generated for the
9 subsequent three-year period. That proceeding shall include:

10 (A) an initial a potential study conducted by the Department of
11 Public Service, the first of which shall be completed no later than September 1,
12 2024, to include an assessment and quantification of available technically
13 available, maximum achievable, and program achievable thermal resources.
14 The results shall include a comparison to the legal obligations of the thermal
15 sector portion of the requirements of 10 V.S.A. § 578(a)(2) and (3). The
16 potential study shall consider and evaluate thermal market conditions for
17 delivery of clean heat measures within the State, including an assessment of
18 and statewide and regional thermal workforce characteristics capable of
19 meeting consumer demand and meeting the obligations of 10 V.S.A.
20 § 578(a)(2) and (3);

1 (B) the development of a three-year plan and associated proposed
2 budget by the default delivery agent to be informed by the final results of the
3 Department’s potential study. The default delivery agent may propose a
4 portion of its budget towards promotion and market uplift, workforce
5 development, and trainings for clean heat measures; and

6 (C) opportunity for public participation.

7 (2) Once the Commission provides the default delivery agent with the
8 obligated parties’ election information plan to meet the requirements, the
9 default delivery agent shall be granted the opportunity to amend its plan and
10 budget before the Commission.

11 (f) Compliance funds. All funds received from noncompliance payments
12 pursuant to subdivision 8124(f)(2) of this title shall be used by the default
13 delivery agent to provide clean heat measures to customers with low income.

14 (g) Specific programs. The default delivery agent shall create specific
15 programs for multiunit dwellings, condominium associations, rental properties,
16 commercial and industrial customers, and for manufactured homes so these
17 groups have an equal equitable opportunity to benefit from the Clean Heat
18 Standard.

19 § 8126. RULEMAKING

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

1 (b) The requirements to adopt rules and any requirements regarding the
2 need for legislative approval before any part of the Clean Heat Standard goes
3 into effect do not in any way impair the Commission’s authority to issue orders
4 or take any other actions, both before and after final rules take effect, to
5 implement and enforce the Clean Heat Standard.

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

10 (1) provides notice of any proposed changes;

11 (2) allows for a 30-day comment period;

12 (3) responds to all comments received on the proposed change;

13 (4) provides a notice of language assistance services on all public
14 outreach materials; and

15 (5) arranges for language assistance to be provided to members of the
16 public as requested using professional language services companies.

17 (d) Any order issued under this chapter shall be subject to appeal to the
18 Vermont Supreme Court under section 12 of this title, and the Commission
19 must immediately file any orders, a redline, and clean version of the revised
20 rules with the Secretary of State, with notice simultaneously provided to the

1 House Committee on Environment and Energy and the Senate Committees on
2 Finance and on Natural Resources and Energy.

3 § 8127. TRADEABLE CLEAN HEAT CREDITS

4 (a) Credits established. By rule or order, the Commission shall establish or
5 adopt a system of tradeable clean heat credits that are earned by reducing
6 greenhouse gas emissions through the delivery of clean heat measures. While
7 credit denominations may be in simple terms for public understanding and ease
8 of use, the underlying value shall be based on units of carbon dioxide
9 equivalent (CO₂e). The system shall provide a process for the recognition,
10 approval, and monitoring of the clean heat credits. The Department of Public
11 Service shall perform the verification of clean heat credit claims and submit
12 results of the verification and evaluation to the Commission annually.

13 (b) Credit ownership. The Commission, in consultation with the Technical
14 Advisory Group, shall establish a standard methodology for determining what
15 party or parties shall be the **initial** owner of a clean heat credit upon its
16 creation, **including a representative value for the provision of all components**
17 **of current and future programs, to include financial incentives, workforce**
18 **development, market uplift, and training.** The **original** owner or owners may
19 transfer those credits to a third party or to an obligated party.

20 (c) Credit values. Clean heat credits shall be based on the accurate and
21 verifiable lifecycle CO₂e emission reductions in Vermont's thermal sector that

1 result from the delivery of eligible clean heat measures to existing or new end-
2 use customer locations into or in Vermont.

3 (1) For clean heat measures that are installed, credits will be created for
4 each year of the expected life of the installed measure. The annual value of the
5 clean heat credits for installed measures in each year shall be equal to the
6 lifecycle CO₂e emissions of the fuel use that is avoided in a given year
7 because of the installation of the measure, minus the lifecycle emissions of the
8 fuel that is used instead in that year.

9 (2) For clean heat measures that are fuels, clean heat credits will be
10 created only for the year the fuel is delivered to the end-use customer. The
11 value of the clean heat credits for fuels shall be the lifecycle CO₂e emissions
12 of the fuel use that is avoided, minus the lifecycle CO₂e emissions of the fuel
13 that is used instead.

14 (d) List of eligible measures. Eligible clean heat measures delivered to or
15 installed in Vermont ~~may~~ shall include:

16 (1) residential, commercial, and industrial thermal energy efficiency
17 improvements and weatherization;

18 (2) cold-climate air, ground source, and other heat pumps, including
19 district, network, grid, microgrid, and building geothermal systems;

20 (3) heat pump water heaters;

21 (4) utility-controlled electric water heaters;

1 (5) solar hot water systems;

2 (6) residential, commercial, and industrial electric appliances providing
3 thermal end uses;

4 (7) advanced wood heating;

5 (8) noncombustion or renewable energy-based district heating services;

6 (9) the supply of sustainably sourced biofuels;

7 (10) the supply of green hydrogen;

8 (11) the replacement of a manufactured home with a high efficiency
9 manufactured home; and

10 (12) line extensions that connect residential, commercial, or industrial
11 facilities with thermal loads to the grid.

12 (e) Renewable natural gas. For pipeline renewable natural gas and other
13 renewably generated natural gas substitutes to be eligible, an obligated party
14 shall purchase renewable natural gas and its associated renewable attributes
15 and demonstrate that it has secured a contractual pathway for the physical
16 delivery of the gas from the point of injection into the pipeline to the obligated
17 party's delivery system.

18 (f) Carbon intensity of fuels.

19 (1) To be eligible as a clean heat measure a liquid or gaseous clean heat
20 measure shall have a carbon intensity value as follows:

21 (A) below 80 in 2025;

1 (B) below 60 in 2030; and
2 (C) below 20 in 2050, provided the Commission may allow liquid
3 and gaseous clean heat measures with a carbon intensity value greater than 20
4 if excluding them would be impracticable based on the characteristics of
5 Vermont’s buildings, the workforce available in Vermont to deliver lower
6 carbon intensity clean heat measures, cost, or the effective administration of
7 the Clean Heat Standard.

8 (2) The Commission shall establish and publish the rate at which carbon
9 intensity values shall decrease annually for liquid and gaseous clean heat
10 measures consistent with subdivision (1) of this subsection as follows:

11 (A) on or before January 1, 2025 for 2025 to 2030; and

12 (B) on or before January 1, 2030 for 2031 to 2050.

13 (3) For the purpose of this section, the carbon intensity values shall be
14 understood relative to No. 2 fuel oil delivered into or in Vermont in 2023
15 having a carbon intensity value of 100. Carbon intensity values shall be
16 measured based on fuel pathways.

17 (g) Emissions schedule.

18 (1) To promote certainty for obligated parties and clean heat providers,
19 the Commission shall, by rule or order, establish a schedule of lifecycle
20 emission rates for heating fuels and any fuel that is used in a clean heat
21 measure, including electricity, or is itself a clean heat measure, including

1 biofuels. The schedule shall be based on transparent, verifiable, and accurate
2 emissions accounting adapting the Argonne National Laboratory GREET
3 Model, Intergovernmental Panel on Climate Change (IPCC) modeling, or an
4 alternative of comparable analytical rigor to fit the Vermont thermal sector
5 context, and the requirements of 10 V.S.A. § 578(a)(2) and (3).

6 (2) For each fuel pathway, the schedule shall account for greenhouse gas
7 emissions from biogenic and geologic sources, including fugitive emissions
8 and loss of stored carbon. In determining the baseline emission rates for clean
9 heat measures that are fuels, emissions baselines shall fully account for
10 methane emissions reductions or captures already occurring, or expected to
11 occur, for each fuel pathway as a result of local, State, or federal policies legal
12 requirements that have been enacted or adopted that reduce greenhouse gas
13 emissions.

14 (3) The schedule may be amended based upon changes in technology or
15 evidence on emissions, but clean heat credits previously awarded or already
16 under contract to be produced shall not be adjusted retroactively.

17 (h) Review of consequences. The Commission shall biennially assess
18 harmful consequences that may arise in Vermont or elsewhere from the
19 implementation of specific types of clean heat measures and shall set standards
20 or limits to prevent those consequences. Such consequences shall include
21 public health, deforestation or forest degradation, conversion of grasslands,

1 increased emissions of criteria pollutants, damage to watersheds, or the
2 creation of new methane to meet fuel demand.

3 (i) Time stamp. Clean heat credits shall be “time stamped” for the year in
4 which the clean heat measure delivered emission reductions. For each
5 subsequent year during which the measure produces emission reductions,
6 credits shall be generated for that year. Only clean heat credits that have not
7 been retired shall be eligible to satisfy the current year obligation.

8 (j) Delivery in Vermont. Clean heat credits shall be earned only in
9 proportion to the deemed or measured thermal sector greenhouse gas emission
10 reductions achieved by a clean heat measure delivered in Vermont. Other
11 emissions offsets, wherever located, shall not be eligible measures.

12 (k) Credit eligibility.

13 (1) All eligible clean heat measures that are delivered in Vermont
14 beginning on January 1, 2023 shall be eligible for clean heat credits and may
15 be retired and count towards an obligated party’s emission reduction
16 obligations, regardless of who creates or delivers them and regardless of
17 whether their creation or delivery was required or funded in whole or in part by
18 other federal or State policies and programs. This includes individual
19 initiatives, emission reductions resulting from the State’s energy efficiency
20 programs, the low-income weatherization program, and the Renewable Energy
21 Standard Tier 3 program. Clean heat measures delivered or installed pursuant

1 to any local, State, or federal program or policy may count both towards goals
2 or requirements of such programs and policies and be eligible clean heat
3 measures that count towards the emission reduction obligations of this chapter.

4 (2) The owner or owners of a clean heat credit are not required to sell
5 the credit.

6 (3) Regardless of the programs or pathways contributing to clean heat
7 credits being earned, an individual credit may be counted only once towards
8 satisfying an obligated party's emission reduction obligation.

9 (1) Credit registration.

10 (1) The Commission shall create an administrative system to register,
11 sell, transfer, and trade credits to obligated parties. The Commission may hire
12 a third-party consultant to evaluate, develop, implement, maintain, and support
13 a database or other means for tracking clean heat credits and compliance with
14 the annual requirements of obligated parties.

15 (2) The system shall require entities to submit the following information
16 to receive the credit: the location of the clean heat measure, whether the
17 customer or tenant has a low or moderate income, customer income amount,
18 the type of property where the clean heat measure was installed or sold, the
19 type of clean heat measure, and any other information as required by the
20 Commission. Customer income data collected shall be kept confidential by the

1 Commission, the Department of Public Service, the obligated parties and any
2 entity that delivers clean heat measures.

3 (m) Greenhouse Gas Emissions Inventory and Forecast. Nothing in this
4 chapter shall limit the authority of the Secretary of Natural Resources to
5 compile and publish the Vermont Greenhouse Gas Emissions Inventory and
6 Forecast in accordance with 10 V.S.A. § 582.

7 § 8128. CLEAN HEAT STANDARD TECHNICAL ADVISORY GROUP

8 (a) The Commission shall establish the Clean Heat Standard Technical
9 Advisory Group (TAG) to assist the Commission in the ongoing management
10 of the Clean Heat Standard. Its duties shall include:

11 (1) establishing and revising the lifecycle carbon dioxide equivalent
12 (CO₂e) emissions accounting methodology to be used to determine each
13 obligated party's annual requirement pursuant to subdivision 8124(a)(2) of this
14 chapter;

15 (2) establishing and revising the clean heat credit value for different
16 clean heat measures;

17 (3) periodically assessing and reporting to the Commission on the
18 sustainability of the production of clean heat measures by considering factors
19 including greenhouse gas emissions; carbon sequestration and storage; human
20 health impacts; land use changes; ecological and biodiversity impacts;

1 groundwater and surface water impacts; air, water, and soil pollution; and
2 impacts on food costs;

3 (4) setting the expected life length of clean heat measures for the
4 purpose of calculating credit amounts;

5 (5) establishing credit values for each year over a clean heat measure's
6 expected life, including adjustments to account for increasing interactions
7 between clean heat measures over time so as to not double-count emission
8 reductions;

9 (6) facilitating the program's coordination with other energy programs;

10 (7) calculating the impact of the cost of clean heat credits and the cost
11 savings associated with delivered clean heat measures on per-unit heating fuel
12 prices;

13 (8) coordinating with the Agency of Natural Resources to ensure that
14 greenhouse gas emissions reductions achieved in another sector through the
15 implementation of the Clean Heat Standard are not double-counted in the
16 Vermont Greenhouse Gas Emissions Inventory and Forecast;

17 (9) advising the Commission on the periodic assessment and revision
18 requirement established in subdivision 8124(a)(3) of this chapter; and

19 (10) any other matters referred to the TAG by the Commission.

20 (b) Members of the TAG shall be appointed by the Commission and shall
21 include the Department of Public Service, the Agency of Natural Resources,

1 the Department of Health, and parties who have, or whose representatives
2 have, expertise in one or more of the following areas: technical and analytical
3 expertise in measuring lifecycle greenhouse gas emissions, energy modeling
4 and data analysis, clean heat measures and energy technologies, sustainability
5 and non-greenhouse gas emissions strategies designed to reduce and avoid
6 impacts to the environment, public health impacts of air quality and climate
7 change, delivery of heating fuels, land use changes, deforestation and forest
8 degradation, and climate change mitigation policy and law. The Commission
9 shall accept and review motions to join the TAG from interested parties who
10 have, or whose representatives have, expertise in one or more of the areas
11 listed in this subsection. Members who are not otherwise compensated by their
12 employer shall be entitled to per diem compensation and reimbursement for
13 expenses under 32 V.S.A. § 1010.

14 (c) The Commission shall hire a third-party consultant responsible for
15 developing clean heat measure characterizations and relevant assumptions,
16 including CO2e lifecycle emissions analyses. The TAG shall provide input
17 and feedback on the consultant’s work. The Commission may use
18 appropriated funds to hire the consultant.

19 (d) Emission analyses and associated assumptions developed by the
20 consultant shall be reviewed and approved annually by the Commission. In
21 reviewing the consultant’s work, the Commission shall provide a public

1 comment period on the work. The Commission may approve or adjust the
2 consultant’s work as it deems necessary based on its review and the public
3 comments received.

4 **§ 8129. CLEAN HEAT STANDARD EQUITY ADVISORY GROUP**

5 **(a) The Commission shall establish the Clean Heat Standard Equity**
6 **Advisory Group to assist the Commission in developing and implementing the**
7 **Clean Heat Standard in a manner that ensures an equitable share of clean heat**
8 **measures are delivered to Vermonters with low income and moderate income**
9 **and that Vermonters with low income and moderate income who are not early**
10 **participants in clean heat measures are not negatively impacted in their ability**
11 **to afford heating fuel. Its duties shall include:**

12 **(1) providing feedback to the Commission on strategies for engaging**
13 **Vermonters with low income and moderate income in the public process for**
14 **developing the Clean Heat Standard program;**

15 **(2) supporting the Commission in assessing whether customers are**
16 **equitably served by clean heat measures and how to increase equity;**

17 **(3) identifying actions needed to provide customers with low income**
18 **and moderate income with better service and to mitigate the fuel price impacts**
19 **calculated in section 8128 of this title;**

20 **(4) recommending any additional programs, incentives, or funding**
21 **needed to support customers with low income and moderate income and**

1 organizations that provide social services to Vermonters in affording heating
2 fuel and other heating expenses;

3 (5) providing feedback to the Commission on the impact of the Clean
4 Heat Standard on the experience of Vermonters with low income and moderate
5 income; and

6 (6) providing information to the Commission on the challenges renters
7 face in equitably accessing clean heat measures and recommendations to
8 ensure that renters have equitable access to clean heat measures.

9 (b) The Clean Heat Standard Equity Advisory Group shall consist of up to
10 10 members appointed by the Commission and at a minimum shall include at
11 least one representative from each of the following groups: the Department of
12 Public Service; the Department for Children and Families' Office of Economic
13 Opportunity; community action agencies; Efficiency Vermont; individuals
14 with socioeconomically, racially, and geographically diverse backgrounds;
15 renters; rental property owners; the Vermont Housing Finance Agency; and a
16 member of the Vermont Fuel Dealers Association. Members who are not
17 otherwise compensated by their employer shall be entitled to per diem
18 compensation and reimbursement for expenses under 32 V.S.A. § 1010.

19 (c) The Equity Advisory Group shall cease to exist when the initial Clean
20 Heat Standard rules are adopted. Thereafter, the issues described in subsection

1 (a) shall be reviewed by the Commission, in compliance with 3 V.S.A. chapter
2 72.

3 § 8130. SEVERABILITY

4 If any provision of this chapter or its application to any person or
5 circumstance is held invalid or in violation of the Constitution or laws of the
6 United States or in violation of the Constitution or laws of Vermont, the
7 invalidity or the violation shall not affect other provisions of this chapter that
8 can be given effect without the invalid provision or application, and to this end,
9 the provisions of this chapter are severable.

10 § 8131. RULEMAKING AUTHORITY

11 Notwithstanding any other provision of law to the contrary, the Commission
12 shall not file proposed rules with the Secretary of State ~~or issue any orders~~
13 implementing the Clean Heat Standard without specific authorization enacted
14 by the General Assembly.

15 Sec. 4. 10 V.S.A. § 582 is amended to read:

16 § 582. GREENHOUSE GAS INVENTORIES; REGISTRY

17 (a) Inventory and forecasting. The Secretary shall work, in conjunction
18 with other states or a regional consortium, to establish a periodic and consistent
19 inventory of greenhouse gas emissions. The Secretary shall publish the
20 Vermont Greenhouse Gas Emission Inventory and Forecast by ~~no~~ not later
21 than June 1, 2010, and updates shall be published annually until 2028, until a

1 regional or national inventory and registry program is established in which
2 Vermont participates, or until the federal National Emissions Inventory
3 includes mandatory greenhouse gas reporting. The Secretary of Natural
4 Resources shall include a supplemental accounting sensitivity analysis in the
5 Vermont Greenhouse Gas Emissions Inventory and Forecast that measures the
6 upstream and lifecycle greenhouse gas emissions of liquid, gaseous, and solid
7 geologic and biogenic fuels combusted in Vermont.

8 * * *

9 **Sec. 5. CONFIDENTIALITY OF FUEL TAX RETURNS; 2024**

10 (a) Notwithstanding 32 V.S.A. § 3102(a), from January 1, 2024 until
11 December 31, 2024, the Commissioner of Taxes shall disclose to the Public
12 Utility Commission and the Department of Public Service a return or return
13 information related to the fuel tax imposed under 33 V.S.A. § 2503, provided
14 the return or return information provided is necessary to verify the identity,
15 fuel tax liability, and registration status of an entity that sells heating fuel into
16 Vermont for purposes of administering the Clean Heat Standard established in
17 30 V.S.A. chapter 94.

18 (b) Pursuant to 32 V.S.A. § 3102(h), the person or persons receiving return
19 or return information under this section shall be subject to the penalty
20 provisions of 32 V.S.A. § 3102(a) for unauthorized disclosure of return or
21 return information as if such person were the agent of the Commissioner.

1 Pursuant to 32 V.S.A. § 3102(g), nothing in this section shall be construed to
2 prohibit the publication of statistical information, rulings, determinations,
3 reports, opinions, policies, or other information, provided the data is disclosed
4 in a form that cannot identify or be associated with a particular person.

5 (c) Pursuant to 1 V.S.A. § 317(c)(6), a fuel tax return and related
6 documents, correspondence, and certain types of substantiating forms that
7 include the same type of information as in the tax return itself filed with or
8 maintained by the Vermont Department of Taxes disclosed to the Public Utility
9 Commission and the Department of Public Service under this section shall be
10 exempt from public inspection and copying.

11 Sec. 6. PUBLIC UTILITY COMMISSION IMPLEMENTATION

12 (a) Commencement. On or before August 31, 2023, the Public Utility
13 Commission shall commence a proceeding to implement Sec. 3 (Clean Heat
14 Standard) of this act.

15 (b) Facilitator. The Commission shall hire a third-party consultant with
16 expertise in equity, justice, and diversity to design and conduct public
17 engagement. The Commission and the facilitator shall incorporate the Guiding
18 Principles for a Just Transition into the public engagement process. The
19 Commission may use funds appropriated under this act on hiring the
20 consultant. Public engagement shall be conducted by the facilitator for the
21 purposes of:

1 (1) supporting the Commission in assessing whether customers will be
2 equitably served by clean heat measures and how to increase equity in the
3 delivery of clean heat measures;

4 (2) identifying actions needed to provide customers with low income
5 and moderate income with better service and to mitigate the fuel price impacts
6 calculated in 30 V.S.A. § 8128;

7 (3) recommending any additional programs, incentives, or funding
8 needed to support customers with low income and moderate income and
9 organizations that provide social services to Vermonters in affording heating
10 fuel and other heating expenses; and

11 (4) providing information to the Commission on the challenges renters
12 face in equitably accessing clean heat measures and recommendations to
13 ensure that renters have equitable access to clean heat measures.

14 (c) Public engagement process. Before commencing rulemaking, the
15 Commission shall use the forms of public engagement described in this
16 subsection to inform the design and implementation of the Clean Heat
17 Standard. Any failure by the Commission to meet the specific procedural
18 requirements of this section shall not affect the validity of the Commission’s
19 actions.

20 (1) The Commission shall allow any person to register at any time in the
21 Commission’s online case management system, ePUC, as a participant in the

1 Clean Heat Standard proceeding. All members of the Equity Advisory Group
2 shall be made automatic participants to that proceeding. All registered
3 participants in the proceeding, including all members of the Equity Advisory
4 Group shall receive all notices of public meetings and all notices of
5 opportunities to comment in that proceeding.

6 (2) The Commission shall hold at least six public hearings or workshops
7 that shall be recorded and publicly posted on the Commission’s website or on
8 ePUC. These meetings shall be open to everyone, including all stakeholders,
9 members of the public, and all other potentially affected parties, with
10 translation services available to those attending.

11 (3) The Commission also shall provide at least three opportunities for
12 the submission of written comments. Any person may submit written
13 comments to the Commission.

14 (4) The Commission shall invite organizations and communities
15 recommended by the Equity Advisory Group to participate in the
16 Commission’s public meetings and opportunities to comment.

17 (d) Advertising. The Commission shall use funding appropriated in this act
18 on advertising the public meetings in order to provide notice to a wide variety
19 of segments of the public. All advertisements of public meetings shall include
20 a notice of language assistance services. The Commission shall arrange for

1 language assistance to be provided to members of the public as requested using
2 the services of professional language services companies.

3 (e) Draft proposed rules. The Commission shall publish draft proposed
4 rules publicly and provide notice of them through the Commission’s online
5 case management system, ePUC, to the stakeholders in this rulemaking who
6 registered their names and e-mail addresses with the Commission through
7 ePUC. The Commission shall provide a 30-day comment period on the draft
8 and accept written comments from the public and stakeholders. The
9 Commission shall consider changes in response to the public comments before
10 filing the proposed rules with the Secretary of State and the Legislative
11 Committee on Administrative Rules.

12 (f) Final rules.

13 (1) On or before January 15, 2025, the Commission shall submit to the
14 General Assembly final proposed rules to implement the Clean Heat Standard.
15 The Commission shall not file the final proposed rules with the Secretary of
16 State until specific authorization is enacted by the General Assembly to do so.

17 (2) Notwithstanding 3 V.S.A. §§ 820, 831, 836–840, and 841(a), upon
18 affirmative authorization enacted by the General Assembly authorizing the
19 adoption of rules implementing the Clean Heat Standard, the Commission shall
20 file, as the final proposed rule, the rules implementing the Clean Heat Standard
21 approved by the General Assembly with the Secretary of State and Legislative

1 Committee on Administrative Rules pursuant to 3 V.S.A. § 841. The filing
2 shall include everything that is required under 3 V.S.A. §§ 838(a)(1)–(5), (8)–
3 (13), (15), and (16), (b), (c), and 841(b)(1).

4 (3) The review, adoption, and effect of the rules implementing the Clean
5 Heat Standard shall be governed by 3 V.S.A. §§ 841(c); 842, exclusive of
6 subdivision (b)(4); 843; 845; and 846, exclusive of subdivision (a)(3).

7 (4) Once adopted and effective, any amendments to the rules
8 implementing the Clean Heat Standard shall be made in accordance with the
9 Administrative Procedure Act, 3 V.S.A. chapter 25 unless the adopted rules
10 allow for amendments through a different process in accordance with
11 30 V.S.A. § 8126(c) and (d).

12 (g) Consultant. The Commission may contract with a consultant to assist
13 with implementation of 30 V.S.A. § 8127 (clean heat credits).

14 (h) Funding. On or before February 15, 2024, the Commission shall report
15 to the General Assembly on suggested revenue streams that may be used or
16 created to fund the Commission’s administration of the Clean Heat Standard
17 program and shall include programs to support market transformation such as
18 workforce development, market uplift, and training that may be administered
19 by a third party.

20 (i) Check-back reports. On or before February 15, 2024 and January 15,
21 2025, the Commission shall submit a written report to and be available to

1 provide oral testimony to the House Committee on Environment and Energy,
2 and the Senate Committees on Finance and on Natural Resources and Energy
3 detailing the efforts undertaken to establish the Clean Heat Standard. The
4 reports shall include, to the extent available, estimates of the impact of the
5 Clean Heat Standard on customers, including impacts to customer rates and
6 fuel bills for participating and nonparticipating customers, net impacts on total
7 spending on energy for thermal sector end uses, fossil fuel reductions,
8 greenhouse gas emission reductions, and, if possible, impacts on economic
9 activity and employment. The modeled impacts shall estimate high-, medium-,
10 and low-price impacts. The reports shall recommend any legislative action
11 needed to address enforcement or other aspects of the Clean Heat Standard,
12 including how to ensure fuel used for non-thermal uses is not impacted under
13 the program.

14 (j) Assistance. The Agency of Commerce and Community Development,
15 the Department of Public Service, and other State agencies and departments
16 shall assist the Commission with economic modeling for the required reports
17 and rulemaking process.

18 Sec. 7. PUBLIC UTILITY COMMISSION AND DEPARTMENT OF
19 PUBLIC SERVICE POSITIONS; APPROPRIATION

20 (a) The following new positions are created in the Public Utility
21 Commission for the purpose of carrying out this act:

1 (1) one permanent exempt Staff Attorney;

2 (2) one permanent exempt Analyst; and

3 (3) one limited-service exempt Analyst.

4 (b) The sum of \$825,000.00 is appropriated to the Public Utility
5 Commission from the General Fund in fiscal year 2024 for the positions
6 established in subsection (a) of this section; for all consultants required by this
7 act; and for additional operating costs required to implement the Clean Heat
8 Standard, including marketing and public outreach for Sec. 6 of this act.

9 (c) The following new positions are created in the Department of Public
10 Service for the purpose of carrying out this act:

11 (1) one permanent exempt Staff Attorney; and

12 (2) two permanent classified Program Analysts.

13 (d) The sum of \$900,000.00 is appropriated to the Department of Public
14 Service from the General Fund in fiscal year 2024 for the positions established
15 in subsection (c) of this section, to retain consultants that may be required to
16 support verification and evaluation required by 30 V.S.A. § 8127(a), for
17 conducting the potential study, and for associated operating costs related to the
18 implementation of the Clean Heat Standard.

19 Sec. 8. EFFECTIVE DATE

20 This act shall take effect on passage.

21

1

2

3 (Committee vote: _____)

4

5

Representative _____

6

FOR THE COMMITTEE