

Page 5 Line 1:

Option 1

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

Option 2

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

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(g) Specific programs. The default delivery agent shall create specific programs for multiunit dwellings, condo associations, renters, ~~and for~~ manufactured homes, ~~and for commercial and industrial process fuel use and customers~~ so these groups have an equal opportunity to benefit from the Clean Heat Standard.

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

(1) thermal energy efficiency improvements and weatherization;

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

(3) heat pump water heaters;

(4) utility-controlled electric water heaters;

(5) solar hot water systems;

(6) electric appliances providing thermal end uses;

(7) advanced wood heating;

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

(9) the supply of sustainably sourced biofuels;

(10) the supply of green hydrogen; and

(11) process fuel efficiency improvements; and

(12) the replacement of a manufactured home with a high efficiency manufactured home.

**Page 25 Line 15:**

(h) Review of environmental consequences. The Commission shall biennially assess harmful consequences that may arise in Vermont or elsewhere from the implementation of clean heat measures and shall set standards or limits to prevent those consequences. Such consequences shall include deforestation, conversion of grasslands, damage to watersheds, or the creation of new methane to meet fuel demand.

(i) Review of economic consequences. The Commission shall biennially assess customer cost and other economic consequences that may arise in Vermont from the implementation of the Clean Heat Standard and shall determine whether programmatic or other changes under its authority should be implemented to address such consequences. If the Commission determines that there are measures that would address such consequences but are outside its authority, it shall make recommendations as warranted to the Legislature or responsible regulatory agency.

**Page 35 Line 18:**

(5) supporting the Commission in assessing whether commercial and industrial process fuel customers will be equitably served by clean heat measures and how to increase equity;

(6) identifying actions, including any additional programs, incentives, or funding, needed to provide commercial and industrial process fuel customers with better service and to mitigate the fuel price impacts calculated in section 8128 of this title;

(7) providing information to the Commission on the challenges commercial and industrial process fuel customers have in identifying and installing appropriate and effective clean heat measures, including to address process fuel use.

**Page 39 Line 5:**

(i) Check-back reports. On or before February 15, 2024 and January 15, 2025, the Commission shall submit a written report to and be available to provide oral testimony to the House Committees on Environment and Energy, on Commerce and Economic Development, and on Ways and Means; and the Senate Committees on Finance and on Natural Resources and Energy detailing the efforts undertaken to establish the Clean Heat Standard. The reports shall include, to the extent available, estimates of the impact of the Clean Heat Standard on customers, including impacts to customer rates and fuel bills for participating and nonparticipating customers, net impacts on total spending on energy for thermal sector end uses, fossil fuel reductions, greenhouse gas emission reductions, and, if possible, impacts on economic activity and employment. The modeled impacts shall estimate high-, medium-, and low-price

impacts. The reports shall recommend any legislative action needed to address enforcement or other aspects of the Clean Heat Standard.