

1 Introduced by Committee on Natural Resources and Energy

2 Date:

3 Subject: Public service; Public Utility Commission; energy efficiency  
4 programs

5 Statement of purpose of bill as introduced: This bill proposes to extend the  
6 pilot program established in 2020 Acts and Resolves No. 151. It would also  
7 allow thermal energy and process fuel efficiency funding to be spent on  
8 measures allowed under the pilot program.

9 An act relating to energy efficiency modernization

10 It is hereby enacted by the General Assembly of the State of Vermont:

11 Sec. 1. 2020 Acts and Resolves No. 151, Sec. 1 is amended to read:

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

13 CHARGE FUNDS FOR GREENHOUSE GAS EMISSIONS

14 REDUCTION PROGRAMS

15 (a) The electric resource acquisition budget for an entity appointed to  
16 provide electric energy efficiency and conservation programs and measures  
17 pursuant to 30 V.S.A. § 209(d)(2)(A) for the calendar years ~~2021–2023~~ 2021–  
18 2026 shall be determined pursuant to 30 V.S.A. § 209(d)(3)(B). This section  
19 shall apply only if the entity’s total electric resource acquisition budget for  
20 ~~2021–2023~~ 2024–2026 does not exceed the entity’s total electric resource

1 acquisition budget for ~~2018–2020~~ 2021-2023, adjusted for cumulative inflation  
2 between January 1, 2021, and July 1, 2023, using the national consumer price  
3 index. An entity may include proposals for activities allowed under this pilot  
4 in its 2027-2029 demand resource plan filing, but these activities shall only be  
5 implemented if this section is extended to cover that timeframe.

6 (b) Notwithstanding any provision of law or order of the Public Utility  
7 Commission (PUC) to the contrary, the PUC shall authorize an entity pursuant  
8 to subsection (a) of this section to spend ~~a portion of~~ its electric resource  
9 acquisition budget, in an amount to be determined by the PUC but not to  
10 exceed \$2,000,000.00 per year, on programs, measures, and services that  
11 reduce greenhouse gas emissions in the thermal energy or transportation  
12 sectors. Programs, measures, and services authorized pursuant to subsection  
13 (a) of this section shall:

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

16 (2) Have a nexus with electricity usage.

17 (3) Be additive and complementary to and shall not replace or be in  
18 competition with electric utility energy transformation projects pursuant to  
19 30 V.S.A. § 8005(a)(3) and existing thermal efficiency programs operated by  
20 an entity appointed under 30 V.S.A. § 209(d)(2)(A) such that they result in the

1 largest possible greenhouse gas emissions reductions in a cost-effective  
2 manner.

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

6 (5) Be delivered on a statewide basis. However, ~~if any of these funds~~  
7 ~~are used for services specific to a retail electricity provider, the funds used for~~  
8 ~~services to each retail electricity provider for the calendar years 2021–2023~~  
9 ~~shall be reasonably proportionate to the energy efficiency charge collected in~~  
10 ~~that territory~~ this shall not preclude the delivery of services specific to a retail  
11 electricity provider. Should such services be offered, all distribution utilities  
12 and Vermont Public Power Supply Authority shall be provided the opportunity  
13 to participate, and those services shall be designed and coordinated in  
14 partnership with each of them. For programs and services that are not offered  
15 on a statewide basis, the proportion of utility-specific program funds used for  
16 services to any distribution utility shall be no less than the proportionate share  
17 of the energy efficiency charge, which in the case of Vermont Public Power  
18 Supply Authority, is the amount collected across their combined member  
19 utility territories during the period this section remains in effect.

1 (c) An entity that is approved to provide a program, measure, or service  
2 pursuant to this section shall provide the program, measure, or service in  
3 cooperation with a retail electricity provider.

4 (1) The entity shall not claim any savings and reductions in fossil fuel  
5 consumption and in greenhouse gas emissions by the customers of the retail  
6 electricity provider resulting from the program, measure, or service if the  
7 provider elects to offer the program, measure, or service pursuant to 30 V.S.A.  
8 § 8005(a)(3) unless the entity and provider agree upon how savings and  
9 reductions should be accounted for, apportioned, and claimed.

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

13 (d) Any funds spent on programs, measures, and services pursuant to this  
14 section shall not be counted towards the calculation of funds used by a retail  
15 electricity provider for energy transformation projects pursuant to 30 V.S.A.  
16 § 8005(a)(3) and the calculation of project costs pursuant to 30 V.S.A.  
17 § 8005(a)(3)(C)(iv).

18 (e) On or before April 30, 2021 and every April 30 for ~~three~~ six years  
19 thereafter, the PUC shall submit a written report to the House Committee on  
20 ~~Energy and Technology~~ Environment and Energy and the Senate Committees

1 on Natural Resources and Energy and on Finance concerning any programs,  
2 measures, and services approved pursuant to this section.

3 (f) Thermal energy and process fuel efficiency funding. Notwithstanding  
4 30 V.S.A. § 209(e), each of the following shall be used to deliver thermal  
5 energy and process fuel or transportation energy efficiency services in  
6 accordance with 30 V.S.A. § 209(e) for unregulated fuels to Vermont  
7 consumers of such fuels. In addition, the Commission may authorize an entity  
8 appointed to deliver such services under 30 V.S.A. § 209 (d)(2)(B) to use  
9 monies subject to this subsection for the engineering, design, and construction  
10 of facilities for the conversion of thermal energy customers using fossil fuels to  
11 district heat if the majority of the district’s energy is from biomass sources, the  
12 district’s distribution system is highly energy efficient, and such conversion is  
13 cost effective. In addition, a retail electricity provider that is also an entity  
14 appointed under 30 V.S.A. § 209(d)(2)(A), may during the years of 2024-2026,  
15 use monies subject to this subsection to deliver thermal and transportation  
16 measures or programs that reduce fossil fuel use regardless of the preexisting  
17 fuel source of the customer, including measures or programs permissible under  
18 this pilot program, with special emphasis on measures or programs that take a  
19 new or innovative approach to reducing fossil fuel use including modifying or  
20 supplementing existing vehicle incentive programs and electric vehicle supply  
21 equipment grant programs to incentivize high-consumption fuel users,

1 especially individuals using more than 1000 gallons of gasoline or diesel  
2 annually and those with low and moderate income, to transition to the use of  
3 battery electric vehicles.

4 Sec. 2 2020 Acts and Resolves No. 151, Sec. 2 is amended to read:

5 Sec. 2. EFFECTIVE DATE

6 This act shall take effect on passage and shall be repealed as of April 30,  
7 ~~2024~~ 2027.

8 Sec. 3. EFFECTIVE DATE

9 This act shall take effect on passage.