

Introduced by Committee on Natural Resources and Energy

Date:

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

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

An act relating to energy efficiency modernization

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

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

Sec. 1. ALLOWANCE OF THE USE OF ENERGY EFFICIENCY CHARGE FUNDS FOR GREENHOUSE GAS EMISSIONS REDUCTION PROGRAMS

(a) The electric resource acquisition budget for an entity appointed to provide electric energy efficiency and conservation programs and measures pursuant to 30 V.S.A. § 209(d)(2)(A) for the calendar years ~~2021–2023~~ 2021–202~~66~~ shall be determined pursuant to 30 V.S.A. § 209(d)(3)(B). ~~This section shall apply only if the entity's total electric resource acquisition budget for 2021–2023–2026 does not exceed the entity's total electric resource acquisition budget for 2018–2020. The PUC shall approve a resource acquisition budget that may include spending on Act 151 activities at a size that is no larger than the 2021–23 PUC approved Act 151 budget, adjusted for inflation. The Act 151 budget may be considered in addition to, and not in place of, cost-effective electric efficiency programs approved in the DRP. This section shall apply only if the entity's total electric resource acquisition budget for 2024–2026 does not exceed the entity's total electric resource acquisition budget for 2021–2023, adjusted for cumulative inflation between January 1, 2021 and July 1, 2023, using the national consumer price index. An entity can include proposals for Act 151 activities in its 2027–2029 demand resource plan filing, but these Act 151 activities will only be implemented if this section is extended to cover that timeframe~~

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

- (1) Reduce greenhouse gas emissions in the thermal energy or transportation sectors, or both.
- (2) Have a nexus with electricity usage.

(3) Be additive and complementary to and shall not replace or be in competition with electric utility energy transformation projects pursuant to 30 V.S.A. § 8005(a)(3) and existing thermal efficiency programs operated by an entity appointed under § 209(d)(2)(A) such that they result in the largest possible greenhouse gas emissions reductions in a cost-effective manner.

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

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

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

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

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

(d) Any funds spent on programs, measures, and services pursuant to this section shall not be counted towards the calculation of funds used by a retail electricity provider for energy transformation projects

pursuant to 30 V.S.A. § 8005(a)(3) and the calculation of project costs pursuant to 30 V.S.A. § 8005(a)(3)(C)(iv).

(e) On or before April 30, 2021 and every April 30 for ~~three~~ ~~six~~ ~~eight~~ ~~six~~ years thereafter, the PUC shall submit a written report to the House Committee on Energy and Technology Environment and Energy and the Senate Committees on Natural Resources and Energy and on Finance concerning any programs, measures, and services approved pursuant to this section.

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

Sec. 2. EFFECTIVE DATE

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

Sec. 3. 30 V.S.A. § 209(e) is amended to read:

(e) Thermal energy and process fuel efficiency funding.

1) Each of the following shall be used to deliver thermal energy and process fuel ~~or transportation~~ energy efficiency services in accordance with this section for unregulated fuels to Vermont consumers of such fuels. In addition, the Commission may authorize an entity appointed to deliver such services under subdivision (d)(2)(B) of this section to use monies subject to this subsection for the engineering, design, and construction of facilities for the conversion of thermal energy customers using fossil fuels to district heat if the majority of the district's energy is from biomass sources, the district's distribution system is highly energy efficient, and such conversion is cost effective. In addition, or for a retail electricity provider that is also an entity appointed under § 209(d)(2)(A), during the years of 2024-2026, may use monies subject to this subsection to deliver thermal and transportation measures or programs that reduce fossil fuel use regardless of the preexisting fuel source of the customer, including measures or programs permissible under 2020 Acts and Resolves No. 151, with special emphasis on measures or programs that take a new or innovative approach to reducing fossil fuel use including modifying or supplementing existing vehicle incentive programs and electric vehicle supply equipment (EVSE) grant programs to incentivize high-consumption fuel users, especially individuals using more than 1000 gallons of gasoline or diesel annually and those with low and moderate income, to transition to the use of battery electric vehicles.

* * *

Sec. 4. EFFECTIVE DATE

This act shall take effect on passage