

1 TO THE HONORABLE SENATE:

2 The Committee on Natural Resources and Energy to which was referred
3 Senate Bill No. 305 entitled “An act relating to miscellaneous changes related
4 to the Public Utility Commission” respectfully reports that it has considered
5 the same and recommends that the bill be amended by striking out Sec. 7,
6 effective date, in its entirety and inserting in lieu thereof the following:

7 * * * EEMA * * *

8 Sec. 7. 2020 Acts and Resolves No. 151, Sec. 1, as amended by 2023 Acts and
9 Resolves No. 44, Sec. 1, is further amended to read:

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

13 (a) The electric resource acquisition budget for an entity appointed to
14 provide electric energy efficiency and conservation programs and measures
15 pursuant to 30 V.S.A. § 209(d)(2)(A) for the calendar years 2021–2026 shall
16 be determined pursuant to 30 V.S.A. § 209(d)(3)(B). This section shall apply
17 only if the entity’s total electric resource acquisition budget for 2024–2026
18 does not exceed the entity’s total electric resource acquisition budget for 2021–
19 2023, adjusted for cumulative inflation between January 1, 2021, and July 1,
20 2023, using the national consumer price index. An entity may include
21 proposals for activities allowed under this pilot in its 2027–2029 demand

1 resource plan filing, but these activities shall only be implemented if this
2 section is extended to cover that ~~timeframe~~ time frame.

3 (b) Notwithstanding any provision of law or order of the Public Utility
4 Commission (PUC) to the contrary, ~~the PUC shall authorize an entity pursuant~~
5 ~~to subsection (a) of this section to~~ appointed under 30 V.S.A. § 209(d)(2)(A)
6 may spend a portion of its electric resource acquisition budget, in an amount ~~to~~
7 be determined by the PUC but not to exceed \$2,000,000.00 per year, on
8 programs, measures, and services that reduce greenhouse gas emissions in the
9 thermal energy or transportation sectors in ways that are complementary to
10 other existing programs and are not in competition with electric utility energy
11 transformation projects pursuant to 30 V.S.A. § 8005(a)(3) and existing
12 thermal efficiency programs. An entity spending a portion of its electric
13 resource acquisition budget as outlined in this section shall submit notice of the
14 amount and programs, measures, and services to the PUC. Programs
15 ~~measures, and services authorized pursuant to subsection (a) of this section~~
16 ~~shall~~ An entity spending a portion of its electric resource acquisition budget as
17 outlined in this section shall submit notice of the amount of the annual
18 acquisition budget to be spent pursuant to subsection (b) of this section to the
19 PUC with a sworn statement attesting that the programs, measures, or services
20 comply with the following criteria:

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

3 (2) Have a nexus with electricity usage.

4 (3) Be additive and complementary to and shall not replace or be in
5 competition with electric utility energy transformation projects pursuant to
6 30 V.S.A. § 8005(a)(3) and existing thermal efficiency programs operated by
7 an entity appointed under 30 V.S.A. § 209(d)(2)(A) such that they result in the
8 largest possible greenhouse gas emissions reductions in a cost-effective
9 manner.

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

13 (5) Be delivered on a statewide basis. However, this shall not preclude
14 the delivery of services specific to a retail electricity provider. Should such
15 services be offered, all distribution utilities and Vermont Public Power Supply
16 Authority shall be provided the opportunity to participate, and those services
17 shall be designed and coordinated in partnership with each of them. For
18 programs and services that are not offered on a statewide basis, the proportion
19 of utility-specific program funds used for services to any distribution utility
20 shall be ~~no~~ not less than the proportionate share of the energy efficiency
21 charge, which in the case of Vermont Public Power Supply Authority, is the

1 amount collected across their combined member utility territories during the
2 period this section remains in effect.

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

6 ~~(1)~~ The entity shall not claim any savings and reductions in fossil fuel
7 consumption and in greenhouse gas emissions by the customers of the retail
8 electricity provider resulting from the program, measure, or service if the
9 provider elects to offer the program, measure, or service pursuant to 30 V.S.A.
10 § 8005(a)(3) unless the entity and provider agree upon how savings and
11 reductions should be accounted for, apportioned, and claimed.

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

15 (d) Any funds spent on programs, measures, and services pursuant to this
16 section shall not be counted towards the calculation of funds used by a retail
17 electricity provider for energy transformation projects pursuant to 30 V.S.A.
18 § 8005(a)(3) and the calculation of project costs pursuant to 30 V.S.A.
19 § 8005(a)(3)(C)(iv).

20 (e) ~~On or before April 30, 2021 and every April 30 for six years thereafter,~~
21 ~~the PUC shall submit a written report to the House Committee on Environment~~

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

4 (f) Thermal energy and process fuel efficiency funding. Notwithstanding
5 30 V.S.A. § 209(e), a retail electricity provider that is also an entity appointed
6 under 30 V.S.A. § 209(d)(2)(A), may during the years of 2024–2026, use
7 monies subject to 30 V.S.A. § 209(e) to deliver thermal and transportation
8 measures or programs that reduce fossil fuel use regardless of the preexisting
9 fuel source of the customer, including measures or programs permissible under
10 this pilot program, with special emphasis on measures or programs that take a
11 new or innovative approach to reducing fossil fuel use, including modifying or
12 supplementing existing vehicle incentive programs and electric vehicle supply
13 equipment grant programs to incentivize high-consumption fuel users,
14 especially individuals using more than 1000 gallons of gasoline or diesel
15 annually and those with low and moderate income, to transition to the use of
16 battery electric vehicles.

17 * * * Clean Heat Standard * * *

18 Sec. 8. 30 V.S.A. § 8124 is amended to read:

19 § 8124. CLEAN HEAT STANDARD COMPLIANCE

20 * * *

21 (b) Annual registration.

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

* * *

Sec. 9. 30 V.S.A. § 8125 is amended to read:

§ 8125. DEFAULT DELIVERY AGENT

* * *

(b) Appointment. The default delivery agent shall be one or more statewide entities capable of providing a variety of clean heat measures. ~~The Commission shall designate the first default delivery agent on or before June 1, 2024.~~ The designation of an entity under this subsection may be by order of appointment or contract. A designation, whether by order of appointment or by contract, may only be issued after notice and opportunity for hearing. An existing order of appointment issued by the Commission under section 209 of this title may be amended to include the responsibilities of the default delivery agent. An order of appointment shall be for a limited duration not to exceed 12 years, although an entity may be reappointed by order or contract. An order of appointment may include any conditions and requirements that the Commission deems appropriate to promote the public good. For good cause,

1 after notice and opportunity for hearing, the Commission may amend or revoke
2 an order of appointment.

3 * * *

4 (d) Use of default delivery agent.

5 * * *

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 form. The default delivery agent’s
9 schedule of costs shall include sufficient costs to deliver installed measures and
10 shall specify separately the costs to deliver measures to customers with low
11 income and customers with moderate income as required by subsection
12 8124(d) of this title. The Commission shall provide not less than 120 90 days’
13 notice of default delivery agent credit cost or costs prior to the deadline for an
14 obligated party to file its election form so an obligated party can assess options
15 and inform the Commission of its intent to procure credits in whole or in part
16 as fulfillment of its requirement.

17 * * *

18 (e) Budget.

19 * * *

20 (B) the development of a three-year plan and associated proposed
21 budget by the default delivery agent to be informed by the final results of the

1 Department’s potential study. The default delivery agent may propose a
2 portion of its budget towards promotion and market uplift, workforce
3 development, and trainings for clean heat measures. The Commission shall
4 approve the three-year plan and associated budget by no later than September
5 1, 2025; and

6 * * *

7 Sec. 10. 30 V.S.A. § 8126 is amended to read:

8 § 8126. RULEMAKING

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

11 * * *

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

16 (1) provides notice of any proposed changes;

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

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

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

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

3 (d) Any order issued under ~~this chapter~~ subsection (c) of this section shall
4 be subject to appeal to the Vermont Supreme Court under section 12 of this
5 title, and the Commission must immediately file any orders, a redline, and
6 clean version of the revised rules with the Secretary of State, with notice
7 simultaneously provided to the House Committee on Environment and Energy
8 and the Senate Committees on Finance and on Natural Resources and Energy.

9 Sec. 11. 2023 Acts and Resolves No. 18, Sec. 6 is amended to read:

10 Sec. 6. PUBLIC UTILITY COMMISSION IMPLEMENTATION

11 * * *

12 (f) Final rules.

13 * * *

14 (5) The final proposed rules shall contain the first set of annual required
15 amounts for obligated parties as described in 30 V.S.A. § 8124(a)~~(1)~~(2). The
16 first set of annual required amounts shall only be adopted through the
17 rulemaking process established in this section, not through an order.

18 * * *

19 Sec. 12. 32 V.S.A. § 3102 is amended to read:

20 § 3102. CONFIDENTIALITY OF TAX RECORDS

21 * * *

1 (d) The Commissioner shall disclose a return or return information:

2 * * *

3 (7) to the Joint Fiscal Office pursuant to subsection 10503(e) of this title
4 and subject to the conditions and limitations specified in that subsection; ~~and~~

5 (8) to the Attorney General; the Data Clearinghouse established in the
6 October 2017 Non-Participating Manufacturer Adjustment Settlement
7 Agreement, which the State of Vermont joined in 2018; the National
8 Association of Attorneys General; and counsel for the parties to the Agreement
9 as required by the Agreement and to the extent necessary to comply with the
10 Agreement and only as long as the State is a party to the Agreement; and

11 (9) to the Public Utility Commission and the Department of Public
12 Service, provided the disclosure relates to the sale of heating fuel into or in the
13 State for **compliance** with the Clean Heat Standard established in 30 V.S.A.
14 chapter 94.

15 * * *

16 * * * Effective Date * * *

17 Sec. 13. EFFECTIVE DATE

18 This act shall take effect on July 1, 2024.

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21

1 (Committee vote: _____)

2

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Senator _____

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FOR THE COMMITTEE