

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 * * * Energy Efficiency Modernization Act * * *

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**. ~~Programs, measures, and services~~
10 ~~authorized pursuant to subsection (a) of this section shall~~ An entity spending a
11 portion of its electric resource acquisition budget as outlined in this section
12 shall submit notice of the amount of the annual **electric resource** acquisition
13 budget to be spent pursuant to **this** subsection to the PUC, **the Department of**
14 **Public Service, the electric distribution utilities, and the Vermont Public Power**
15 **Supply Authority** with a sworn statement attesting that the programs,
16 measures, or services comply with the following criteria:

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

19 (2) Have a nexus with electricity usage.

20 (3) Be additive and complementary to and shall not replace or be in
21 competition with electric utility energy transformation projects pursuant to

1 30 V.S.A. § 8005(a)(3) and existing thermal efficiency programs operated by
2 an entity appointed under 30 V.S.A. § 209(d)(2)(A) such that they result in the
3 largest possible greenhouse gas emissions reductions in a cost-effective
4 manner.

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

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

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

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

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

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

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

20 (±) Thermal energy and process fuel efficiency funding. Notwithstanding
21 30 V.S.A. § 209(e), a retail electricity provider that is also an entity appointed

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

12 * * * Clean Heat Standard * * *

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

14 § 8124. CLEAN HEAT STANDARD COMPLIANCE

15 * * *

16 (b) Annual registration.

17 * * *

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

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

§ 8126. RULEMAKING

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

* * *

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

- (1) provides notice of any proposed changes;
- (2) allows for a 30-day comment period;
- (3) responds to all comments received on the proposed change;
- (4) provides a notice of language assistance services on all public outreach materials; and
- (5) arranges for language assistance to be provided to members of the public as requested using professional language services companies.

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

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

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

4 Sec. 6. PUBLIC UTILITY COMMISSION IMPLEMENTATION

5 * * *

6 (f) Final rules.

7 * * *

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

12 * * *

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

14 § 3102. CONFIDENTIALITY OF TAX RECORDS

15 * * *

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

17 * * *

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

20 (8) to the Attorney General; the Data Clearinghouse established in the
21 October 2017 Non-Participating Manufacturer Adjustment Settlement

1 Agreement, which the State of Vermont joined in 2018; the National
2 Association of Attorneys General; and counsel for the parties to the Agreement
3 as required by the Agreement and to the extent necessary to comply with the
4 Agreement and only as long as the State is a party to the Agreement; and
5 (9) to the Public Utility Commission and the Department of Public
6 Service, provided the disclosure relates to the sale of heating fuel into or in the
7 State for compliance with the Clean Heat Standard established in 30 V.S.A.
8 chapter 94.

9 * * *

10 * * * Effective Date * * *

11 Sec. 13. EFFECTIVE DATE

12 This act shall take effect on **passage**.

13
14
15
16 (Committee vote: _____)

17 _____

18 Senator _____

19 FOR THE COMMITTEE