



## S.5 Affordable Heat Act Testimony

Julia Leopold, VPPSA Director of Public Affairs

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Public Power Utilities

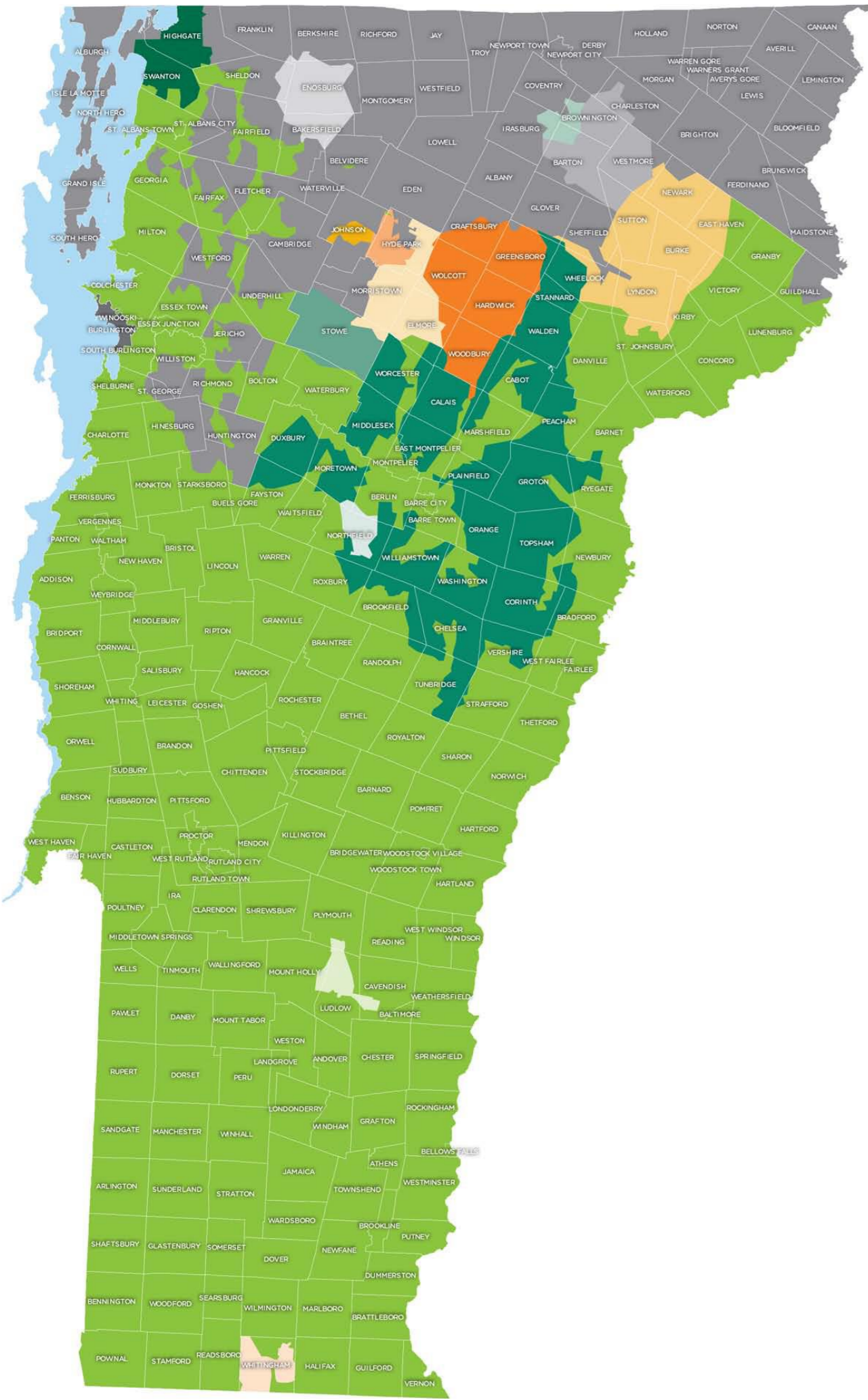


Electric Cooperatives



Investor-Owned Utilities

<p>Business Model:</p>	<p>Not for profit, community-owned</p>	<p>Not for profit, member-owned</p>	<p>For profit, shareholder owned</p>
<p>Governed By:</p>	<p>Elected/appointed boards: mayors, city council members, citizens</p>	<p>Member-elected boards</p>	<p>Private boards</p>
<p>Regulated By:</p>	<p>VT: PUC Other states: Elected/appointed municipal government boards</p>	<p>VT: PUC Other states: Member-elected boards or Public Utility Commission</p>	<p>VT and other states: PUC</p>



Public Power Utilities

VPPSA Members

- Barton Village Electric
- Village of Enosburg Falls
- Hardwick Electric Dept
- Jacksonville Electric Co.
- Village of Johnson
- Ludlow Electric Light Dept
- Lyndonville Electric Dept
- Morrisville Water & Light
- Northfield Electric Dept
- Orleans Electric
- Swanton Village

Other

- Burlington Electric Dept
- Hyde Park Electric Dept
- Stowe Electric Dept



Electric Cooperatives

- Vermont Electric Coop
- Washington Electric Coop



Investor-Owned Utilities

- Green Mountain Power

# About VPPSA

VPPSA was established by the Vermont Legislature in 1979.

- Provide services and solutions to community-owned utilities
- Allow for beneficial consolidation while maintaining local control

***Putting the **Public** in **Power**.***



# About VPPSA



- Barton Village: 2,000
- The Village of Enosburg Falls: 1,700
- Hardwick Electric Department: 4,500
- Village of Jacksonville: 700
- Village of Johnson: 1,000
- Ludlow Electric Light Department: 3,700
- Lyndonville Electric Department: 5,700
- Morrisville Water & Light: 4,200
- Northfield Electric Department: 1,800
- Village of Orleans: 700
- Swanton Village: 3,800

# About VPPSA: Our Services



**Power Supply Purchasing and Generation**



**Financial Services**



**Rates and Planning**



**Legislative and Regulatory**



**IT Support and Technology Upgrades**



**Communication and Outreach**



**GIS and Field Services**



**Renewable Energy Standard**



**Key Accounts Program**

# About VPPSA: Renewable Energy Standard Tier 3

VPPSA has spent over \$725,000 on more than 1,500 incentives to help Vermonters reduce fossil fuels.

Includes:

- Over 150 electric vehicles
- Nearly 1,000 heat pumps
- 155,000 lifetime gallons of diesel reduced in the maple sugaring industry
- 2.7 million lifetime gallons of diesel reduced by NEK manufacturers





# About VPPSA: 2023 Priorities and Considerations

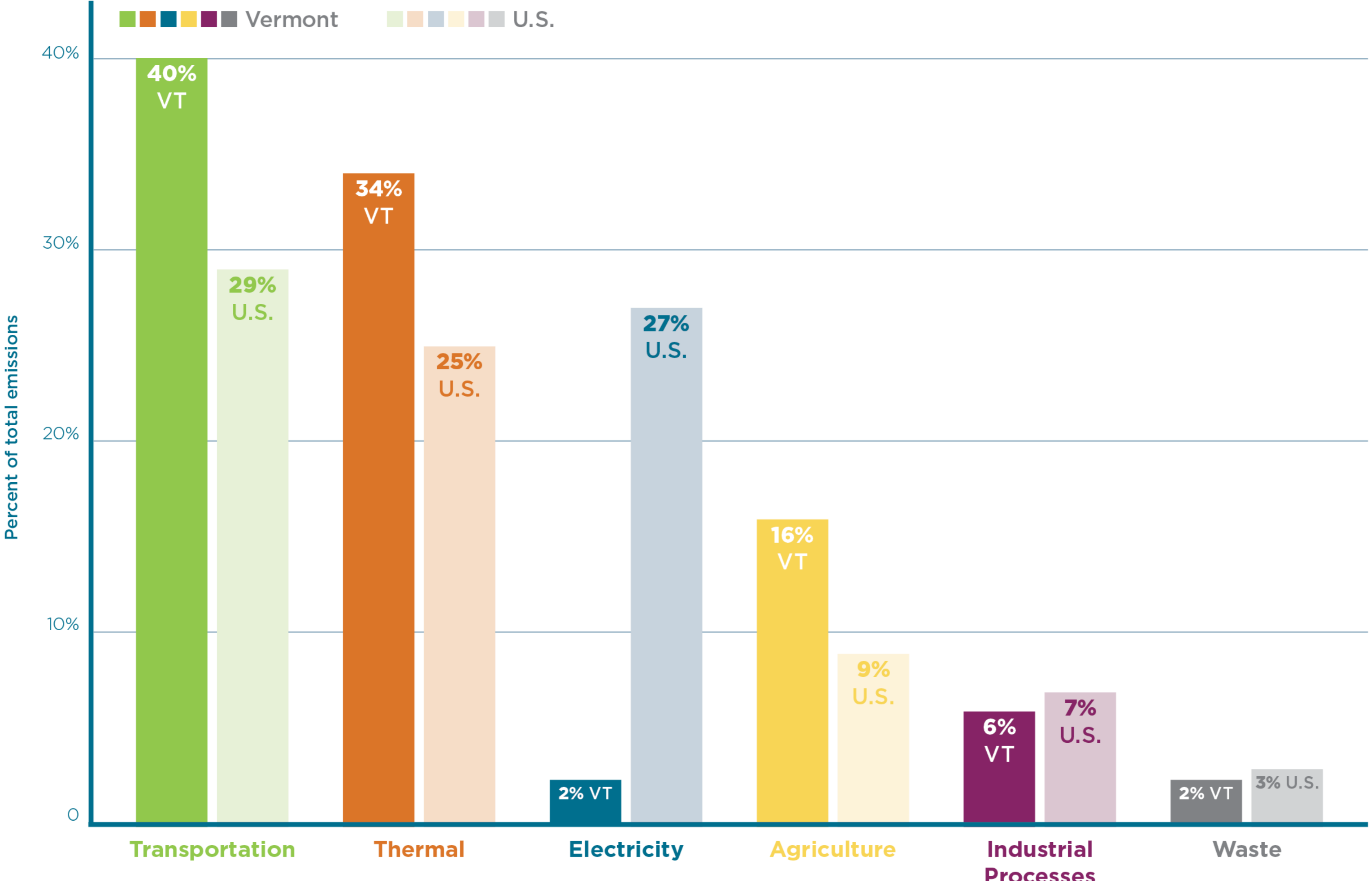
## Priorities:

- Providing a safe and reliable electric grid
- Keeping electricity affordable for all consumers

## Considerations:

- Electricity needs to be affordable for our communities and our climate.
- Transportation and heating of our homes and buildings are the highest GHG emitting sectors.

# GHG emissions by sector, U.S. vs VT (2018)



Source: Vermont Agency of Natural Resources, Vermont Greenhouse Gas Emissions Inventory and Forecast (1990-2017), 2021.; U.S. Environmental Protection Agency, Inventory of U.S. Greenhouse Gas Emissions and Sinks: 1990-2018, 2021. Note: Due to time lags in state and federal data reporting, 2018 is the latest data available.



# Benefits of the Affordable Heat Act

- Takes the leap to regulate the entities that are responsible for the greatest Vermont GHG emissions.
- Establishes a system where the cost burden is largely incurred by those causing the GHG emissions.
- Encourages electrification of the thermal sector.
- Attempts to minimize adverse impacts of energy burdened customers and align income definitions with those of existing programs and entities.

# Recommendations

1. Reduce complexity and create clarity between Clean Heat Credits and Renewable Energy Standard Tier 3 Credits.
2. Keep the Affordable Heat Act focused exclusively on thermal measures to reduce ambiguity.
3. Include clarifying language either directly in the bill or through a request to the PUC.

# Recommendations

1. Reduce complexity and create clarity between Clean Heat Credits and Renewable Energy Standard Tier 3 Credits.

## Proposed Language Changes:

### § 8123. DEFINITIONS

(2) “Clean heat credit” means a tradeable, nontangible commodity that represents the amount of greenhouse gas reduction attributable to a clean heat measure. Clean heat credits created as part of an Energy Transformation project as defined in 30 V.S.A. §8002(28) shall be independent from and shall not impact the quantity of MWH equivalent calculated under 30 V.S.A §8005(a)(3)(D). The Commission shall establish a system of management for clean heat credits pursuant to this chapter.

# Recommendations

## Proposed Language Changes Continued:

### § 8125. TRADEABLE CLEAN HEAT CREDITS

(j) Credit eligibility. All eligible clean heat measures that are delivered in Vermont shall be eligible for clean heat credits and may be retired and count towards an obligated party's emission reduction obligations, regardless of who creates or delivers them and regardless of whether their creation or delivery was required by other State policies and programs. This includes individual initiatives, emission reductions resulting from the State's energy efficiency programs, the low-income weatherization program, and the Renewable Energy Standard Tier 3 program. When an electric distribution utility provides a Renewable Energy Standard Tier 3 incentive for an eligible clean heat measure, the associated clean heat credit shall be assigned to the electric distribution utility. Nothing in this section requires an electric distribution utility to sell or transfer clean heat credits created from a Tier 3 project to an obligated party.

# Recommendations

2. Keep the Affordable Heat Act focused exclusively on thermal measures to reduce ambiguity.

## Proposed Language Changes:

### § 8125. TRADEABLE CLEAN HEAT CREDITS

- (1) Thermal energy efficiency improvements and weatherization;
- (2) Cold-climate air, ground source, and other heat pumps...

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~~(7) Renewable electricity systems paired with heat pumps or electric appliances providing thermal end uses, including on-site and community-scale renewable electricity systems;~~



Thank you!



# Contact Info

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