Public Service Department

SENATE NATURAL RESOURCES & ENERGY 1/11/2023

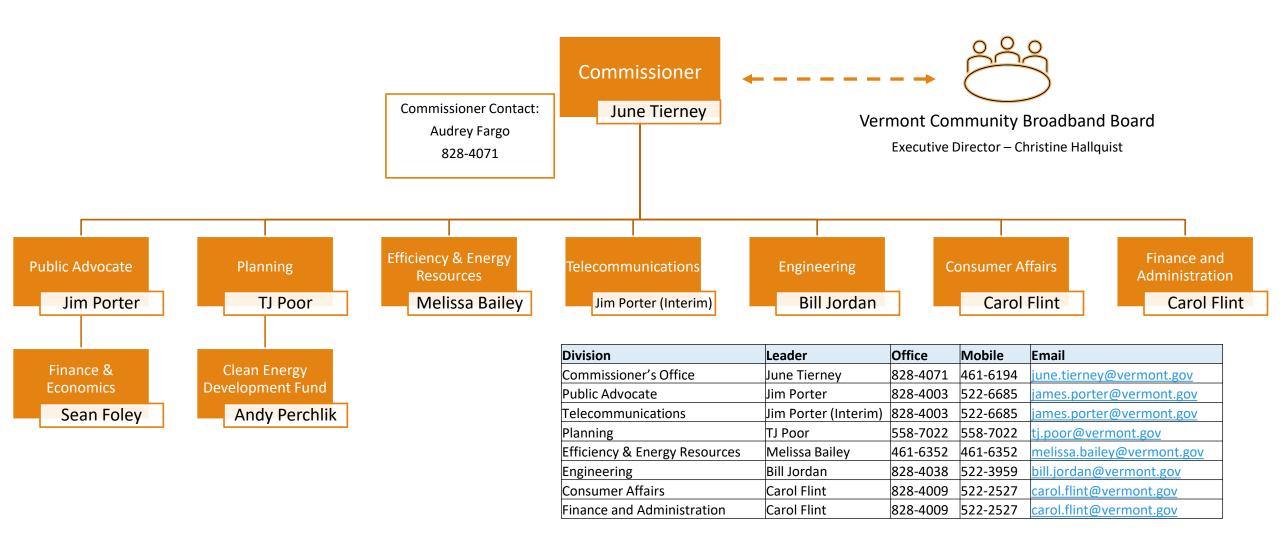


Public Service Department

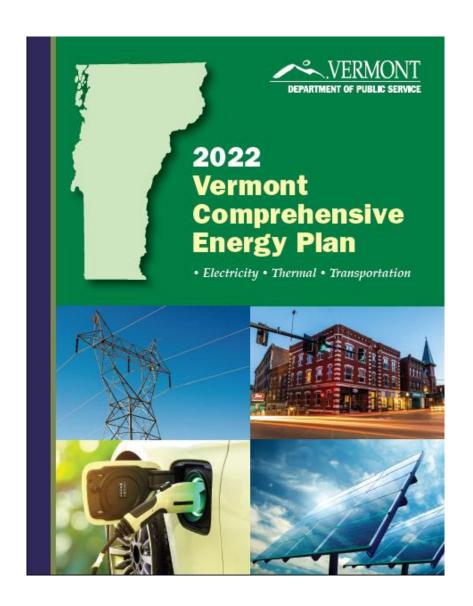
Represents public interest in energy, telecommunications, water and wastewater utility matters

Mission: Serve all citizens through public advocacy, planning, programs, and other actions that meet the public's need for least cost, environmentally sound, efficient, reliable, secure, sustainable, and safe energy, telecommunications, and regulated utility systems in the state for the short and long term.

Public Service Department Organization Chart







Planning Division

Developing the Comprehensive Energy Plan/Electric Plan

- Addresses electric, thermal, transportation sectors and is updated every 6 years (due January 2022) 30 V.S.A. §§ 202 and 202b
 - Annual Energy Report, including Net-Metering Report and Renewable Energy Standard Report – Annually 1/15

Reviewing utilities' Integrated Resource Plans

 "a plan for meeting the public's need for energy services, after safety concerns are addressed, at the lowest present value life cycle cost, including environmental and economic costs" 30 V.S.A. § 218c

Providing guidance for Regions and Towns under Act 174 of 2016,

 establishing municipal and regional planning standards, if met allow plans to carry greater weight in siting process

Renewable Electricity Policy & Programs

Vermont currently has several programs and policies that have helped to increase the amount of renewable electricity in the state. These include:

- The Renewable Energy Standard (RES), which requires electric utilities to buy a specific amount of electricity from renewable energy resources
- The Standard Offer program, which helps deploy small-scale renewable energy projects and
- The Net-Metering program, which allows Vermont homes, businesses, and communities to generate their own power, such as by putting solar PV on their homes

In order to meet State renewable energy goals and greenhouse gas reduction requirements, the <u>2022 Comprehensive Energy Plan</u> recommended that the State should:

"Consider adjustments to the Renewable Energy Standard and complementary renewable energy programs comprehensively, through a transparent and open process....The considerations should include:

- Consideration of a low-carbon or carbon-free standard, in addition to a 100% renewable energy standard;
- Consideration of a cohesive set of programs to support the standard " (pg. 270)

This recommendation is consistent with recommendations included in the 2021 Climate Action Plan.

Public Engagement Plan: Renewable & Clean Electricity Programs

On December 1, the Department released its <u>Public Engagement Plan</u>, reflecting input received from a request for information earlier in 2022. Public Engagement is core to the success of future programs.

Goals:

Reach a broad array of Create inclusive spaces Be transparent in how Build capacity for Vermonters beyond those where stakeholders feel feedback shared during engagement in these stakeholders already deeply heard and able to share engagement opportunities is discussions in the long term engaged in these their expertise and opinions incorporated into through elevating energy conversations recommendations literacy



Grid Evolution & IIJA

Integrated Transmission and Distribution Planning, effectuated regionally (via ISO-NE, regional state collaboration) and locally (Vermont System Planning Committee, Integrated Resource Plans, Alternative Regulation Plans, and Innovative tariffs, etc.

Infrastructure Investment and Jobs Act (IIJA)

- Formula State Energy Program grants to support electric transmission and distribution planning as well as other programs that save energy & reduce carbon (\$3m). Submitted proposal to Dept of Energy.
- Efficiency and Conservation Block Grant Program (\$1.6m) Appropriated to Buildings and General Services to support State Energy Management Program, including municipal resilience projects
- Revolving Loan Fund Capitalization Grant Program (\$775k) Appropriated to Buildings and General Services to Support State Energy Management Program
- Grid Resilience State formula grant, PSD applying for funds from DOE to reduce number and duration of utility outages
- Competitive Solicitations

More Planning Activities

Reviewing proposed development of storage, solar, etc.

• The PUC must find that a generation/transmission/storage project "promotes the general good of the State." 30 V.S.A. § 248.

Reviewing compliance with Renewable Energy Standard Tiers 1 and 2

 Utilities are required to meet a percentage of load with renewable generation (including a portion met by in-state, distributed generation) 30 V.S.A. § 8005

Reviewing power supply component of utility rate cases

 Determining whether the utilities are correctly accounting for the cost of generation, 30 V.S.A. § 225

Host Clean Energy Development Fund, which has the goal of increasing the development and deployment of sustainable power

Division of Efficiency and Energy Resources



Evaluation and Verification of Efficiency and Distribution Utility Savings



Building Code Updates



State Energy Office



Transportation Nexus to Electricity: Rates and Load Management

Vermont's Energy Efficiency Utilities



Funded through an energy efficiency charge (EEC) on each customer's monthly bill

- Efficiency Vermont
- Burlington Electric Department
- Vermont Gas Systems (VGS)

Budgets are approved by the Public Utility Commission every 3 years through the **Demand Resources Plan Proceeding**

EEC is set to acquire "all reasonably available, cost-effective energy efficiency savings."

Primarily electric efficiency services with some funds explicitly available for thermal and process fuel efficiency.



Tier 3 Energy Transformation

Renewable Energy Standard

Requirement for Electric

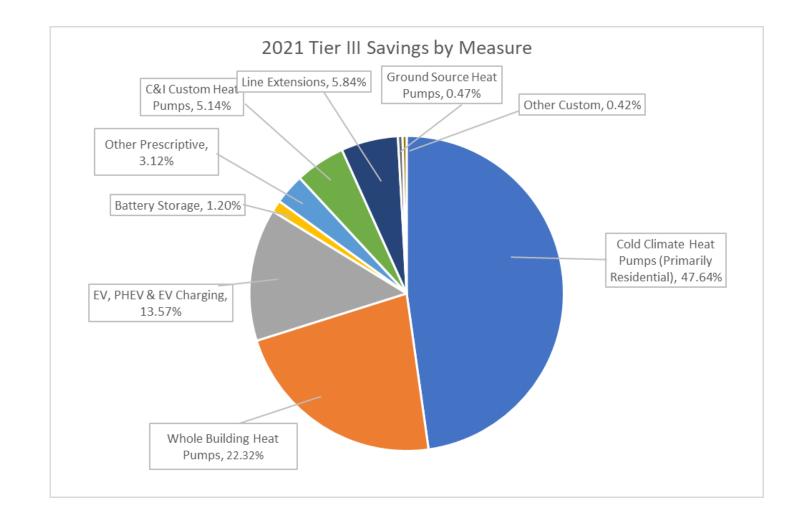
Distribution Utilities to support

fossil fuel reductions for

their customers.

- Primarily electrification
- Many programs offered jointly

with EVT



Building Energy Standards

Residential Building Energy Standards (RBES) since 1997

Commercial Building Energy Standards (CBES) since 2007

Stretch codes – applies to residential Act 250 projects, can be adopted by municipalities

Updated every 3-years

- April 2022 initiated public stakeholder engagement process to update RBES & CBES.
- Filed proposed rules with ICAR September 2022 and plan to file with LCAR in January or February 2023

ARPA Funded Programs

\$67 Million allocated to DPS for Climate Investments through 2023 Budget

- \$35 M to grant to EVT for moderate income weatherization
- \$20 M to support home electric upgrades for low- and moderate-income households
- \$5 M to install heat pump water heaters for low- and moderate-income households
- \$7 M to support storage installations and load management

Inflation Reduction Act

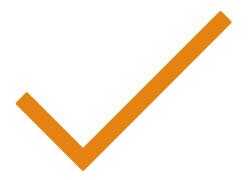
The home energy performance-based, whole house rebates (HOME Program)

- \$29 Million for Vermont through State Energy Office
- Incentives for comprehensive energy savings projects
- Tiered incentives based on income level

High-Efficiency Electric Home Rebate Program

- \$29 Million for Vermont through State Energy Office
- Point of sale rebates for households earning up to 150% AMI





Thank you

Appendix: Public Engagement Plan Overview

The Department proposes to review renewable electricity programs and policies through a process with three core phases:

Phase 1:

Awareness & Capacity Building

November 2022 – March 2023

Focus on broad outreach, especially to frontline & impacted communities, and create educational opportunities

Phase 2:

Policy & Program Review

April – August 2023

Focus on reviewing existing programs and policies through continued stakeholder engagement & technical analyses. This phase would begin to identify possible recommendations for policy and program changes

Phase 3:

Recommendations & Reporting

September – December 2023

Focus on finalizing and drafting recommendations and produce summaries of the process. Drafts of those documents would be reviewed and revised through public comment periods

The Department expects the results of this process would be published in time to inform the 2024 legislative session.

