

1 H.354

2 Introduced by Representative Logan of Burlington

3 Referred to Committee on

4 Date:

5 Subject: Public service; energy; thermal energy; thermal efficiency benefits
6 charge

7 Statement of purpose of bill as introduced: This bill proposes to direct the
8 Public Utility Commission to establish a thermal efficiency benefits charge.

9 An act relating to a thermal efficiency benefits charge

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

11 Sec. 1. 30 V.S.A. § 209(e) is amended to read:

12 (e) Thermal energy and process fuel efficiency funding.

13 (1) Each of the following shall be used to deliver thermal energy and
14 process fuel energy efficiency services in accordance with this section for
15 unregulated fuels to Vermont consumers of such fuels. In addition, the
16 Commission may authorize an entity appointed to deliver such services under
17 subdivision (d)(2)(B) of this section to use monies subject to this subsection
18 for the engineering, design, and construction of facilities for the conversion of
19 thermal energy customers using fossil fuels to district heat if the majority of

1 the district's energy is from biomass sources, the district's distribution system
2 is highly energy efficient, and such conversion is cost effective.

3 (A) Capacity savings. Net revenues above costs associated with
4 payments from the New England Independent System Operator (ISO-NE) for
5 capacity savings resulting from the activities of the energy efficiency utility
6 designated under subdivision (2)(A) of this subsection (e) that are not
7 transferred to the State PACE Reserve Fund under 24 V.S.A. § 3270(c). These
8 revenues shall be deposited into the Electric Efficiency Fund established by
9 this section. In delivering services with respect to heating systems using the
10 revenues subject to this subdivision (A), the entity shall give priority to
11 incentives for the installation of high efficiency biomass heating systems and
12 shall have a goal of offering an incentive that is equal to 25 percent of the
13 installed cost of such a system. Provision of an incentive under this
14 subdivision (A) for a biomass heating system shall not be contingent on the
15 making of other energy efficiency improvements at the property on which the
16 system will be installed.

17 (B) RGGI. Net revenues above costs from the sale of carbon credits
18 under the cap and trade program established under section 255 of this title,
19 which shall be deposited into the Electric Efficiency Fund established by this
20 section.

1 (C) Other funds. Any other monies that are appropriated to or
2 deposited in the Electric Efficiency Fund for the delivery of thermal energy
3 and process fuel energy efficiency services.

4 (D) Thermal efficiency benefits charge; unregulated fuels. The
5 Commission may establish by order or rule a volumetric charge to customers
6 for the support of thermal efficiency programs that are societally cost-effective
7 to implement and support the greenhouse gas reduction requirements under 10
8 V.S.A. § 578. The charge shall be known as the thermal efficiency benefits
9 charge, shall be shown separately on each customer's bill, and shall be paid to
10 a fund administrator appointed by the Commission and deposited into the
11 Electric Efficiency Fund.

12 (2) If a program combines regulated fuel efficiency services with
13 unregulated fuel efficiency services supported by funds under this section, the
14 Commission shall allocate the costs of the program among the funding sources
15 for the regulated and unregulated fuel sectors in proportion to the benefits
16 provided to each sector.

17 (3) ~~In~~ As used in this subsection:

18 (A) "Biomass" means organic nonfossil material constituting a
19 source of renewable energy within the meaning of section 8002 of this title.

1 (B) “District heat” means a system through which steam or hot water
2 from a central plant is piped into buildings to be used as a source of thermal
3 energy.

4 (C) “Efficiency services” includes the establishment of a statewide
5 information clearinghouse under subsection (g) of this section.

6 (D) “Fossil fuel” means an energy source formed in the earth’s crust
7 from decayed organic material. The common fossil fuels are petroleum, coal,
8 and natural gas. A fossil fuel may be a regulated or unregulated fuel.

9 (E) “Regulated fuels” means electricity and natural gas delivered by a
10 regulated utility.

11 (F) “Unregulated fuels” means fuels used by thermal energy and
12 process fuel customers other than electricity and natural gas delivered by a
13 regulated utility.

14 Sec. 2. EFFECTIVE DATE

15 This act shall take effect on July 1, 2025.