



Date: February 23, 2026

To: House Committee on Energy and Digital Infrastructure

From: Timothy Perrin, Director of Energy Management

Subject: Sec. 1 of DR 26-0781 Draft 1.1

Vermont Gas Systems, Inc. (VGS) is a fully regulated utility and one of the three energy efficiency utilities (EEU) appointed by the State of Vermont. We serve more than 56,000 customers in Addison, Chittenden, and Franklin counties. In addition to providing these customers with natural gas to warm their homes and businesses, our teams help them identify the most efficient and cost-effective thermal solutions for their needs. We facilitate comprehensive weatherization and the installation and maintenance of gas and electric heating and cooling systems.

We were asked to review Sec. 1 of the committee bill that's under development in the House Energy & Digital Infrastructure Committee. As witnesses from the Vermont Department of Public Service and Burlington Electric Department (BED) recently testified, VGS and BED share many customers in Burlington due to the overlap in our service territories. Our energy efficiency teams work closely to align programming in innovative ways that help these customers and support the City's climate goals. These programs also have a corresponding benefit toward Vermont's statewide energy objectives.

The Committee has heard testimony about the applicable uses of Thermal Energy and Process Fuel (TEPF) funds and the unique circumstances in Burlington, where most residents and businesses rely on natural gas for heating. VGS is comfortable with the Sec. 1 language and the flexibility it provides to allow TEPF resources traditionally reserved for unregulated fuels (e.g., fuel oil, propane, kerosene, wood) to be leveraged for the benefit of Burlington energy users. Our ongoing partnerships with BED give us confidence that these dollars will support our shared thermal goals. If during implementation of this expanded flexibility we had any discomfort with how the funds were being used, we would have an opportunity to address them through the Demand Resources Plan process to ensure discussion and optimization. For these reasons, we support the language in Sec. 1 of DR 26-0781 Draft 1.1.