



Feb 24, 2026

House DRAFT Committee Bill No. 26-08781, and H.727

Written Testimony of, Peter Walke,)
Managing Director, to House Committee on)
Energy and Digital Infrastructure)

RE: Efficiency Vermont Recommendations for treatment of EEMA, and Data Centers

Dear Madam Chair,

Efficiency Vermont provides the following written testimony to support Efficiency Vermont’s position that it is not seeking to reauthorize Act 44, The Efficiency Modernization Act (“EEMA”), for the purpose of extending Efficiency Vermont programs and services authorized under this act, and to advance limited comments on Data Centers.

Energy Efficiency Modernization Act “EEMA”

Act 44 was passed and signed into law in 2023 as a continuation of Act 151, signed into law in 2021. The primary impact of Act 44 for Efficiency Vermont was to allow the continuation of two programs under the Efficiency Vermont Demand Resources Plan (“DRP”) under VT PUC Case No. 22-2924-PET. Those two programs were the Low-Income Fuel Switch, and Electric Vehicle Dealership Network programs.

- The **Low-Income Fuel Switch Program** enables Efficiency Vermont to partner with distribution utilities across the state, and arrange for prior or active customers of Weatherization Assistance Program “WAP” services to receive a free heat pump. Between the incentives paid by Efficiency Vermont from the electric efficiency fund, and the Energy Transformation “Tier III” incentives paid by Distribution Utilities, customers received the heat pumps at no cost. Because Efficiency Vermont manages and maintains a midstream incentive program that is structured through the contractor directly, these customers also had no billing costs or reimbursements to manage separately.
- The **EV Dealership Network** was launched to support the growth of EV-capacity at automobile dealerships across the state, and sales-force awareness of electric vehicles available in Vermont. In the first three years of the program (2021-2023), the focus was on growing dealership awareness of EVs through marketing and education directed at both consumers and dealerships. The program also provided up-front financial incentives for dealer installation of EV-charging equipment and tools for service. In later years the program grew to include used vehicle dealerships, and direct sales incentives for the sales-force working at enrolled dealerships.

Act 44 allows for continuation of these programs through the end of 2026 at up to \$2 million per year. This authorization goes through the end of the current three-year Efficiency Vermont

performance period, with an option to extend these programs if the bill is renewed or extended to cover future time frames.

As stated, Efficiency Vermont does not seek to extend the reauthorization of Act 44 and does not recommend an extension for Efficiency Vermont's services under the draft committee bill 26-08781. Efficiency Vermont believes that nearly 5 years of implementing EEMA program has largely addressed the original needs of the legislation, or demonstrated how certain aspects can be continued through more traditionally regulated efficiency programs without the need for exception to the regulations established under 30 V.S.A. § 209.

As evidence of the success of these programs, Efficiency Vermont provides an informal summary of performance through 2025:

- **Total Number of homes/heat pumps impacted:** 577 customers have been served in the program since launched in November 2022.
- **Total incentives processed under Low Income Fuel Switch:** \$2,831,402
- **EV Dealership network participants:** 58 Dealerships enrolled in the EV Dealer program.
- **EV Capacity Enhancements** at dealerships¹: \$955,527
- **Total EV Sales incentives:** \$1,876,600

Based on these results, which will continue to grow through the end of 2026, Efficiency Vermont believes the two programs have been largely a success. The goal of EEMA was to support electric-vehicle readiness and awareness at dealerships and among employees across the state, and to provide a cleaner source of high-efficiency heat for low-income Vermonters. Both results have been achieved, and in addition the success of this program has lent itself to several important lessons learned.

First, Efficiency Vermont believes that supporting dealerships with EV infrastructure was a critical first step for making electric vehicles more readily available when the market for EVs was still in the early stages of development, and promotion to consumers was critical for market awareness. Now, heading into 2027, manufacturers are taking the lead in marketing and making these vehicles available under their own brand campaigns, and the number of non-branded used-vehicle dealerships is too small and not conducive for an ongoing statewide campaign.

More importantly, however, is that as manufacturers develop new models of electric vehicles and the Federal EV incentive program is wound down completely, Efficiency Vermont believes there is an opportunity to pursue and incentivize high-efficiency electric vehicles ("eEV"s) as a new form of efficiency measure. Rather than continuing to focus on a smaller number of dealerships, where the opportunities are relatively few, we are prioritizing a much greater potential opportunity through eEVs, and which may help to incentivize consumers into the more efficient vehicles and vehicle packages that will be available in the future. The exploration and identification of energy savings through eEVs is ongoing, and expected to continue in the EEU Technical Advisory Group over the next year or so. If

¹ Enhancements to EV Services include purchase of EV-specific service equipment and tools, attending EV service trainings and certifications, EV Charging stations, and other make-ready costs.

proven to be a cost-effective opportunity, it will be put among the list of traditional EEU measures, and a future program will be developed.

Lastly, for the services of providing high-efficiency heat pumps to low-income customers, Efficiency Vermont has now identified a readily available means to continue this program under current EEU/DU program rules. Efficiency Vermont has worked successfully with utilities throughout the state to establish a common distribution utility statewide incentive level, where Efficiency Vermont commits to cover the remaining share of the full installation cost for each project using the electric efficiency fund. This arrangement means that Efficiency Vermont is paying out of the traditional electric funds and only claiming electric efficiency savings from those projects. It also means that the DUs are paying for the Tier III fuel-switching costs and claiming those projects for their energy transformation goals. As such, this arrangement conforms to existing statutory and regulatory requirements for the EEU under Section 209 without need for amendment or exception, and Efficiency Vermont has proposed that this project continue through its Demand Resource Plan proposal currently before the Commission in Case No. 25-1203-PET.

Data Centers

Efficiency Vermont recognizes the importance and value of legislators getting ahead of the important topic of data center citing, energy use, water use, and requirements for future data centers. In review of H. 727, Efficiency Vermont believes there are additional requirements affecting energy use that should be considered in the bill. Specifically, a major source of energy load for a large data center is not just computational power, but also refrigeration and coolants, and high capacity HVAC systems. Efficiency Vermont recommends that any new data center subject to the rules and stipulations under this Act also be required to work through Efficiency Vermont to achieve a higher level of energy efficiency than what the standard or applicable code would suggest. For example, Efficiency Vermont suggests a revision to Sec 286, paragraph (6), which could read that the Commission consider:

“(6) requirements to implement enhanced energy efficiency standards and demand-management measures through the appropriate energy efficiency utility and distribution utility, and to coordinate as appropriate;

This addition would support verifiable efficiency projects being completed through Efficiency Vermont, guaranteeing the State the highest level of achieved savings, and verified through Efficiency Vermont’s regulated services.

Secondly, given that such data centers would draw a significant load for the life of the project, this load should also not be assumed to be static. To prevent impacts to other ratepayers as these facilities may age, grow, or otherwise change over time, we recommend data centers be *excluded* from participating in either of the self-funded, or self-managed efficiency programs available to large commercial and industrial customers. Efficiency Vermont believes it would assure ratepayers that any new data center is subject to the same energy efficiency charge approved by regulators, and supported by Efficiency Vermont services to deploy cost-effective efficiency projects for the life of the facility – and not merely during the initial construction. Efficiency Vermont recommends under Sec 284 of H.727, a new paragraph (d) be inserted to read as follows:

“(d) No data center tariffed under this section shall be eligible for the energy savings account or customer credit programs stipulated under 30 V.S.A. Sec 209(d)(3)(C), nor will a data center tariffed under this section be eligible for programs under 30 V.S.A. Sec 209(j), Self-Managed Energy Efficiency Programs.

Conclusion

For the reasons stated in the above testimony, Efficiency Vermont does not request the reauthorization of Act 44 for the purpose of continuing the EV Dealership or Low-Income Fuel Switch programs. Efficiency Vermont would not plan to utilize the reauthorization if passed, and will incorporate these efforts into traditional efficiency services, as described above. Efficiency Vermont recognizes, however, that other EEU's that are also electric service providers may continue to find value in the reauthorization of the Act 44 EEMA programs, and Efficiency Vermont does not object. Efficiency Vermont also urges this Committee's consideration that Data Centers be excluded from any self-managed efficiency program, and that they be held to a higher expectation for achieving efficiency by working closely with Efficiency Vermont and not excluded in any way from doing so.

Sincerely,

Peter Walke

Managing Director, Efficiency Vermont