

**H.940**  
**HEDI Committee Bill 26-0781**  
**An act relating to miscellaneous public utility subjects**  
Section-by-Section Summary (with Department's rationale included)  
*Prepared by Legislative Counsel on /18/26*

Sec.	Summary	DPS Rationale
Use of Thermal Funds		
1	<p>Session law provision.</p> <p>Subsection (a) allows BED to use thermal energy and process fuel funding on additional types of projects for the next 3 years that otherwise would not be allowed. The funds may be spent on programs for the thermal energy or transportation sectors including programs to deliver thermal and transportation measures that enable fossil fuel and greenhouse gas emissions reductions, such as geothermal test well funding.</p> <p>(b) states that BED must use at least 60% of these funds for weatherization and thermal sector efficiency programs, with a minimum of 60% of that 60% going to customers with low income and low-to-moderate income and projects requiring electric panel or wiring upgrades or abatement of other health- or building-related items to facilitate weatherization and thermal efficiency.</p> <p>(c) BED must seek approval from the PUC for all planned expenditures during three-year period as part of the triennial energy efficiency utility planning process, and report, to the PUC, annually on program participation, including any customer survey data obtained that discuss how impactful incentives offered under this section were for customer adoption.</p> <p>(d) Any funds spent on programs, measures, and services pursuant to this section shall not be counted towards the</p>	<ul style="list-style-type: none"> <li>• BED rational, not DPS- BED's service territory overlaps with VGS so they need an additional flexibility for the use of their thermal funds or the funds may not get spent.</li> </ul>

	<p>calculation of funds used by BED for energy transformation projects under Tier 3 of the RES and the calculation of project costs.</p>	
<p>Energy Planning</p>		
<p>2</p>	<p>Requires regional planning commissions to submit draft regional plans to the PSD concurrently with their submission to the Land Use Review Board.</p> <p>Amends 24 V.S.A. § 4348, the statute that establishes the process for adoption and amendment of regional plans.</p> <p>Subsection (b) adds the optional determination of energy compliance (also called enhanced energy planning) to part of what the regional planning commission needs to submit when doing an update/amendment to the regional plan.</p> <p>Subdivision (d)(2) adds the requirement that the RPC provide info and seek feedback on the energy compliance plan as part of the required engagement with member municipalities 30 days prior to the first hearing on the plan update.</p> <p>Subdivision (h)(1) adds that within 15 days following adoption of the update by the RPC, when the update is submitted to the LURB, if seeking the energy compliance determination, the RPC shall also submit the plan to the Department of Public Service for review with a description of conformance with the enhanced energy planning standards</p>	<ul style="list-style-type: none"> <li>• Act 174 of 2016 established a process for Regional Planning Commissions to develop energy plans, obtain a determination from the PSD that these plans align with the Comprehensive Energy Plan (CEP) and PSD guidelines, and thus receive "substantial deference" in energy facility siting decisions before the Public Utility Commission (PUC). This proposal aims to make administrative changes to the Act 174 process to:</li> <li>• Ensure that towns and municipalities do not experience gaps in having an approved energy plan, thereby maintaining their ability to receive substantial deference.</li> <li>• Streamline public feedback by consolidating it with the adoption of broader regional or town plans, rather than conducting separate processes.</li> </ul>
<p>3</p>	<p>Amends 24 V.S.A. § 4350, the statute on the RPC's review of municipal planning efforts. An RPC reviews a municipal plan and shall approve the plan if it meets the criteria in the statute. This amendment adds to that list that if the town is seeking the optional determination of energy compliance, that the energy plan is consistent with the enhanced energy planning standards</p>	

4	<p>Amends 24 V.S.A. § 4352, the statute that establishes the enhanced energy planning requirements. It corrects the reference to VT's greenhouse gas reduction requirements and gets rid of an old renewable energy goal and replaces it with a reference to the Renewable Energy Standard.</p> <p>In subsection (d), it rephrases the section so that Commissioner of Public Service shall issue recommendations on enhanced energy planning within one year after adopting the State Comprehensive Energy Plan.</p> <p>Subsection (e) rewrites the process for issuing determinations of energy compliance to conform with the changes in Secs. 2-3, so that it is part of the regional plan process and not a separate process.</p> <p>Strikes subsection (g) which is old language that this is no longer needed.</p> <p>Subsection (h) (new (g)), adds new language that states that an affirmative determination of energy compliance remains in effect until the end of the period for expiration or readoption of the plan to which it applies, with the following exceptions:</p> <p>The RPC or municipality has adopted a plan with an updated energy element and notified the appropriate body of its intent to request a determination of energy compliance at least 30 days prior to the first public hearing on that plan. In this case, the Commissioner of Public Service or RPC may choose to offer a provisional affirmative determination of energy compliance that shall remain in effect for two months following the adoption of the new plan.</p> <p>Or</p> <p>In the event a regional or municipal plan is readopted without updates to the energy element or chapter that impact the plan's existing affirmative determination, the affirmative determination shall be extended to the expiration date of the</p>	
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	<p>readopted plan. The RPC or municipality shall seek an opinion from the Department or RPC that a new determination of energy compliance is not required, and shall seek a new determination of energy compliance if determined necessary by the Department or RPC. Notwithstanding the opinion, a new determination of energy compliance shall be required if the standards for issuing a determination of energy compliance have been revised since the last affirmative determination was issued.</p> <p>Subsection (i), new (h) changes a “shall” to “may” so that the Commissioner may or may not consult with other agencies when reviewing energy plans.</p>	
5	Abolishes the Telecommunications and Connectivity Advisory Board.	<ul style="list-style-type: none"> <li>• The Vermont Telecommunication Connectivity Advisory Board (Advisory Board) was established in 2015 and charged with making recommendations to the Commissioner of Public Service regarding the Commissioner’s telecommunications responsibilities and duties. It has been primarily dedicated to the expansion of wired internet service to all addresses in Vermont.</li> <li>• Act 71 of 2021 created the Vermont Community Broadband Board (VCBB). It is the purpose of the VCBB and Vermont Community Broadband Fund to support policies and programs designed to accelerate community efforts that advance the State’s goal of achieving universal access to reliable, high-quality, affordable, and fixed broadband.</li> <li>• The Advisory Board has met twice since 2021.</li> <li>• The Advisory Board chair has suggested they be disbanded in the Telecom Annual Report for the past number of years.</li> <li>• Given that the Advisory Board’s primary mission has been supplanted by that of the VCBB and that the VCBB has been given control of the Connectivity Fund to help achieve that mission, the Advisory Board is a redundant entity.</li> </ul>
6	Makes the bill effective on passage.	