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Chair James and Members of the House Energy and Digital Infrastructure Committee:

Thank you for the opportunity to provide supplemental testimony on H.781. The Department appreciates the Committee's work in reforming the extension of the Energy Efficiency Modernization Act (EEMA) and for the invitation to comment on the most recent draft of the bill.

The Department would first like to reiterate our underlying concerns regarding what we view as the unaccountable nature of EEMA funding. Specifically, the Department objects to its use to incentivize measures and projects outside of traditional Thermal Energy Process Fuels (TEPF) fund uses, and to augment state Renewable Energy Standard (RES) Tier III programs, potentially bypassing established spending caps. These objections remain as a matter of record.

That said, we did not succeed previously in earning support for our position. This session at this Committee's request, the Department worked in good faith with Burlington Electric Department (BED) to both: find a compromise that balanced their desire for program flexibility for their customers with our concerns regarding program integrity and equity for all Vermont ratepayers; and could earn legislative support. That work produced a negotiated 60% minimum expenditure on weatherization, with further requirements for spending on low- and moderate-income weatherization services, which the Department was willing to accept given the factors cited above.

In the Department's view, the Committee's decision to establish a 75% minimum expenditure threshold would center TEPF funds on building envelope improvements and appropriately anchor the program in a core mission of equitable energy efficiency. The PSD didn't explicitly ask for this change nor expect it, but we can support it. That is because the Department's foremost concern is that ratepayer dollars are prioritized for long-term thermal energy savings, with an emphasis on alleviating energy burden for the most vulnerable, rather than being used as a discretionary pool that could potentially bypass other regulatory limits.

Chair James had also requested that the Department address the interrelationship between EEMA and the ongoing Vermont Public Utility Commission investigation into the Tier III/EEU Program overlap. In point of fact, it is precisely because there *is no* relationship between this program and the investigation – other than that EEMA dollars are used to augment Tier III incentives – that undergirds our foundational opposition to the EEMA program. BED does not have to account to the Department nor the PUC for how these are spent nor the results of their expenditures. The only current accountability measure required of BED for these expenditures is that a “letter of attestation” be provided to the Vermont legislature at the end of every program year. Again, the Department views such an approach as undermining the ability of Vermont regulators to hold BED accountable and why we appreciate the Committee’s work on H.781.

It was the Committee’s directive that produced the Department-BED agreement. As is its prerogative, the Committee has taken that work product and amended it. The Department respects the Committee’s authority to continue to do what it deems best for Vermonters and in this case the Department and the Committee are aligned. We stand ready to support the Committee’s action as reflected in H.781 draft 2.1, dated February 25, 2026, and will provide any further technical assistance required as you advance this legislation. Thank you.

Sincerely,
Signed by:



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Alek Antczak

Director, Energy and Efficiency Resources Division
Vermont Department of Public Service