

ACT 142 OF 2025

ENERGY COST STABILIZATION STUDY

VERMONT PUBLIC UTILITY COMMISSION

PRESENTATION TO HOUSE COMMITTEE ON ENERGY AND DIGITAL INFRASTRUCTURE

JANUARY 8, 2025

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SUMMARY OF ACT 142

- The Commission “shall make a determination as to whether a statewide program to reduce energy burden is needed in Vermont.” Sec. 21(b).
- Mandatory engagement with stakeholders. Section 21(c).
- The Commission shall assess current programs within and outside Vermont designed to directly reduce or stabilize energy expenditures for low- or moderate-income households. Sec. 21(d).
- Recommendations on how to coordinate existing programs and identify obstacles and solutions for increasing coordination across sectors. Sec. 21(e).
- A recommendation whether existing programs should continue to operate and align with a new statewide program or, instead, transition eligible customers to a statewide program and otherwise cease operations. Sec. 21(e).
- Identify an appropriate financing mechanism for a statewide energy cost stabilization program. Sec. 21(e).
- Due December 1, 2025

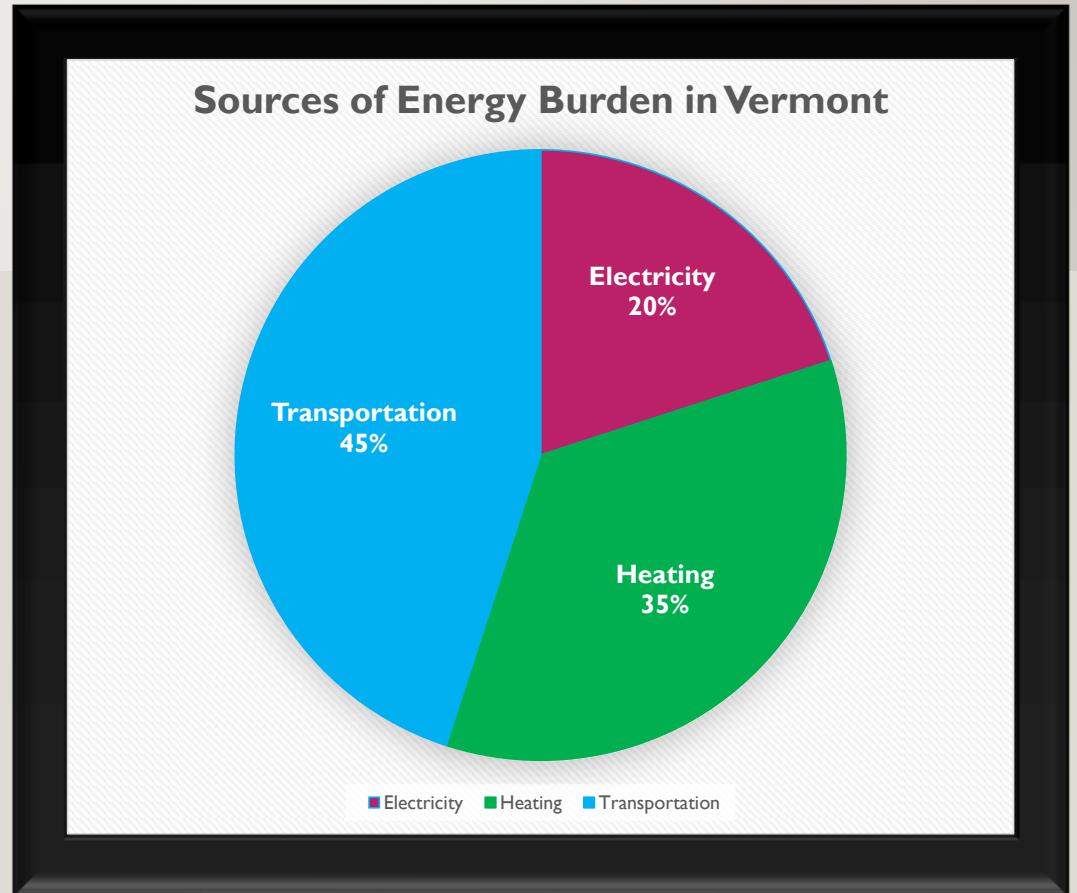
STUDY PROCESS

- The Commission conducted three workshops, one specifically dedicated to hearing from customers who participate in income-based programs
- Information requests issued to the electric and gas distribution utilities and the energy efficiency utilities
- Three rounds of written comments
- Five interviews with the community action agencies
- Online survey
- Dozens of public comments submitted through ePUC and email



ENERGY BURDEN

- Energy burden is defined as the percentage of income a household spends on energy-related expenditures, including electric, thermal, and transportation costs.



COMMISSION RECOMMENDATIONS

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- Phase in an increase to the existing fuel tax on heating oil, propane, kerosene, and other dyed diesel fuel delivered in Vermont to provide greater support to the community action agencies' Home Weatherization Assistance Program for Vermonters with low income. These funds should also be made available for weatherization readiness repairs.
- Dedicate general-fund dollars specifically to expand LIHEAP benefits, in particular the community action agencies' Crisis Fuel Assistance Program, and, if necessary, offset losses of federal dollars. The community action agencies should be given flexibility to use these funds to pay arrearages of customers facing disconnection even if electricity is not necessary to run the customer's heating system.
- Adopt a mechanism to make Vermonters with low and moderate income whole for any increases to the fuel tax through a tax credit or other mechanism.
- Continue to fund up-front monetary incentives for high-efficiency vehicles (new and used all-electric and plug-in hybrid electric vehicles) through the State's general fund and transportation fund.
- If the Legislature's intent is to reduce customers' electric bills, then it should dedicate general-fund dollars to continue and expand the electric utilities' existing Affordable Community Renewable Energy ("ACRE") programs, which provide discounted electric bills for Vermonters with low income while simultaneously supporting renewable energy projects.



RELEVANT PAST & PRESENT INVESTIGATIONS

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- 20-0203-INV – Investigation into the establishment of reduced rates for low-income residential ratepayers of Vermont electric utilities. (2020)
- 25-1094-INV – New investigation to identify potential improvements to the energy efficiency utility and Renewable Energy Standard Tier III programs. (2025)
- 23-2220-RULE – Clean Heat Standard rulemaking (2023)
- Act 62 – Final Report on All-Fuels Energy Efficiency (2021)



EXISTING PROGRAMS IN VERMONT

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- Numerous existing programs addressing energy burden
 - Direct bill assistance and incentives for or investments in efficiency or electrification measures.
 - Tens of thousands of Vermonters served annually. Largest was Vermont Fuel Assistance Program (LIHEAP) ~15k.
 - Many instances of similar programs but with different EEU, utilities, or funding sources.
 - Range of funding mechanisms:
 - Ratepayers
 - State/Federal
 - VELCO/VLITE
 - Donations



EXISTING PROGRAMS OUTSIDE VERMONT

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- LIHEAP implementation in other states
- Energy assistance programs in other states
 - rate models
 - flat discount models
 - tiered discount models
 - prepayment
 - budget billing
 - percentage-of-income payment programs
 - arrearage management



THANK YOU

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