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Agency of Administration Department of Buildings and General Services

State Energy Management Program Annual Report

2015 Acts and Resolves No. 58, Sec. E.112, as amended by 2019 Acts and Resolves No. 72, Sec. E.112 (d), and as further amended by 2022 Acts and Resolves No.172 Sec. E.112 (d) On or before October 1 of each year commencing in 2016 and ending in 2027, the Department (of Buildings and General Services) and EVT (Efficiency Vermont) shall provide a joint report on the implementation of this section.

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Contact Information

From:

Wanda L. Minoli, Commissioner
Agency of Administration, Department of Buildings and General Services
Wanda.Minoli@vermont.gov, 802-828-3519

To receive this information in an alternative format or for other accessibility requests, please contact:

Cole Barney, Communications and Legislative Affairs Manager
Agency of Administration, Department of Buildings and General Services
Cole.Barney@vermont.gov, 802-480-1243

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Table of Contents

Executive Summary 4
FY2026: Targets, Actions, Results 6
FY2027: Projected Savings, Strategies 9
FY2028: Projected Savings, Strategies 11
Observations & Recommendations 12
Appendices 14

Docusign Envelope ID: 489DBE02-FC80-8FE3-8073-DC58B7D6A199

Executive Summary

In accordance with 2015 Acts and Resolves No. 58, Sec. E.112, the Vermont Department of Buildings and General Services ("BGS") and Efficiency Vermont ("EVT") collaboratively developed and launched the State Energy Management Program ("Program") to accelerate energy management measures, implementation of energy efficiency and conservation, and the use of renewable energy resources for State buildings and facilities. At this time, no active memorandum of understanding exists between BGS and Efficiency Vermont concerning the administration of this collaboration.

In June of 2022, the Legislature passed 2022 Acts and Resolves No.172 that amended Sec. E.112 of 2019 Acts and Resolves No. 72 to increase the Program period from eight to eleven years and establish an expansion of services to include "Covered Municipalities" under a new Municipal Energy Resiliency Grant Program (MERP). In accordance with the Act, a covered municipality is defined as a city, town, fire district or incorporated village, and all other governmental incorporated units except for school districts.

FY2026, the program achieved $195,118 of initial year savings and $1,122,140 in lifetime savings.
Project development was limited in the first half of FY2026 due to continued vacancy of the Energy Project Manager positions. In January the Design and Construction Division on-boarded a new Energy Project Manager who began developing scopes of work. During project scope development, project managers have indicated that actual costs for project design were often larger than initially estimated during bidding. Staff continued working with the leasing team members under Planning and Property Management on energy data collection and benchmarking for state leased office space. Program staff remain dedicated to the mission and are motivated by opportunities for process improvements. The Program team has systematically conducting energy audits on prioritized state-owned buildings in accordance with Section 24 Title 29: 157 VSA (a) (3), as amended by 2020 Acts and Resolves No. 139, Sec. 17. The audits identified energy efficiency opportunities including but not limited to upgrading lighting, weatherizing, installing building automation systems, electricity load shifting, community solar programs, and fuel switching. Items were prioritized by estimated payback period and greenhouse gas (GHG) emissions abated over the life of the asset.

In April 2026, staff released a request for proposals (RFP) for expanded energy audit services and have awarded five contracts. For the first time, these audits go beyond traditional Level 2 assessments to include Level 3 audits with supplemental submetering at complex facilities, as well as lifecycle cost evaluations for HVAC systems. This broader scope will provide more detailed operational insights and support long-term capital planning.

The program is looking to expand controls optimization projects that identify HVAC energy saving opportunities by working with controls contractors and efficiency utilities to conduct reviews of HVAC schedules, programming, and system performance. These efforts are

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revealing hidden issues such as faulty sensors and misconfigured equipment that can lead to unnecessary energy use.

Recent Level 2 energy audits are finding similar issues and are frequently recommending retro-commissioning as a high-priority measure to address outdated control sequences, setpoints, and equipment schedules. Because these problems naturally emerge as buildings age, staff are also researching fault detection and diagnostics (FDD) technology to provide continuous commissioning, helping identify inefficiencies in real time so that corrective action can occur sooner, and energy savings can be realized well before the next retro-commissioning cycle.

Energy Star Portfolio Manager is a free energy and water benchmarking platform provided by the U.S. Environmental Protection Agency (EPA) and has long supported basic energy management needs for BGS facilities. While the tool meets the most fundamental requirements for tracking consumption, it is outdated compared to modern energy data management strategies, particularly for large energy consumers like the state that must collect, manage and analyze data from 1,102 active energy meters and 156 water meters. Earlier in 2025, the platform was nearly discontinued but ultimately remained available; however, all planned upgrades were halted and regular communication from the Portfolio Manager team has ceased. The combination of limited capabilities, aging functionality, and uncertainty about future support has prompted staff to begin assessing options for more advanced and reliable data management solutions.

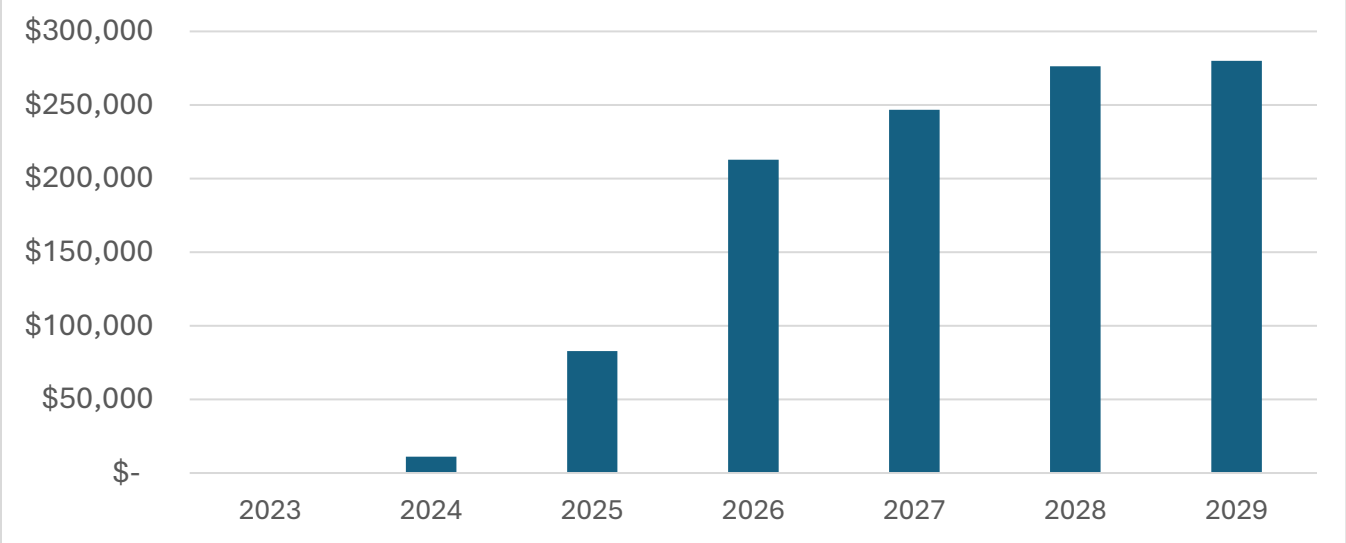


Figure 1. Solar Incentives No Longer Received per Fiscal Year

Many of the state's solar power purchase agreements have reached ten years of service, making them ineligible for the solar incentive bill credit. The loss of these credits is increasing energy costs as the credit no longer appears on the electric utility bill. In fiscal year 2023, every solar array was still earning the bill credit estimated at $280,036 annually, but by 2029 none of the state’s solar arrays will be eligible for the bill credit. In fiscal year 2026, the solar bill credits

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received were $130,016 less than fiscal year 2025, and $212,846 less than fiscal year 2023. In response, program staff have been working to identify strategies that could support development of cost-effective renewable resources at state facilities in FY2027 and FY2028. Federal policy changes, including reduced subsidies for renewable energy and higher tariffs on imported energy technologies, are expected to place upward pressure on retail energy prices, which reinforces the importance of pursuing long-term, stable renewable solutions.

In FY2027, the program funding and statutory authority extended under 2022 Acts and Resolves No. 172 will expire on June 30th without reauthorization. Following the program audit report from the State Auditor's Office issued in January 2026, our efforts are focused on implementing the key recommendations identified in the report. This includes advancing priority projects, refining operational practices, and updating relevant procedures and documentation to align with recommended actions.

FY2026: Targets, Actions, Results

Targets:

In accordance with 2015 Acts and Resolves No. 58, Sec. E.112, as amended by 2019 Acts and Resolves No. 72, Sec. E.112, and as further amended by 2022 Acts and Resolves No. 172 Sec. E.112, BGS and EVT aimed to reduce the State's total energy usage and related costs by an amount not less than $150,000 annually through measures implemented as part of the Program.

Actions:

BGS and EVT are implementing the Program process, including:

- Project identification, development, management, and completion procedures,
- Hand-off points during the execution of projects,
- Documentation, tracking and reporting, and
- Embarking on building controls and automation testing and review known as "controls treasure hunts" to uncover potential savings from system adjusted setpoints.

BGS staff and EVT staff continue to work together on conducting energy audits, reviewing energy audit reports, controls treasure hunts, and project development. EVT's expertise in evaluating efficiency opportunities and offering technical assistance has been instrumental to the advancement of projects that save energy. EVT has also been helpful in providing technical assistance and rebates for energy-related projects that do not meet the payback period requirements to be funded by either of the two green revolving loan funds managed by the Energy Office, State Energy Revolving Fund (SERF) and State Resource Management Revolving Fund (SRMRF).

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BGS currently uses Portfolio Manager to track data for 1,102 energy meters and 156 water meters, as well as to evaluate building energy use for reporting and energy audit planning. While energy data remains increasingly important, manual data entry, uncertainty around Energy Star's future and limited platform capabilities have caused program staff to look for a more efficient system. Staff are now reviewing modern energy data management solutions and developing an RFI to assess available options that could streamline data collection, improve quality and accessibility, and better support future reporting and identification of efficiency opportunities. Many modern platforms also offer measurement and verification tools aligned with industry standards, enabling more accurate performance tracking, which would also align with State Auditors Office recommendations.

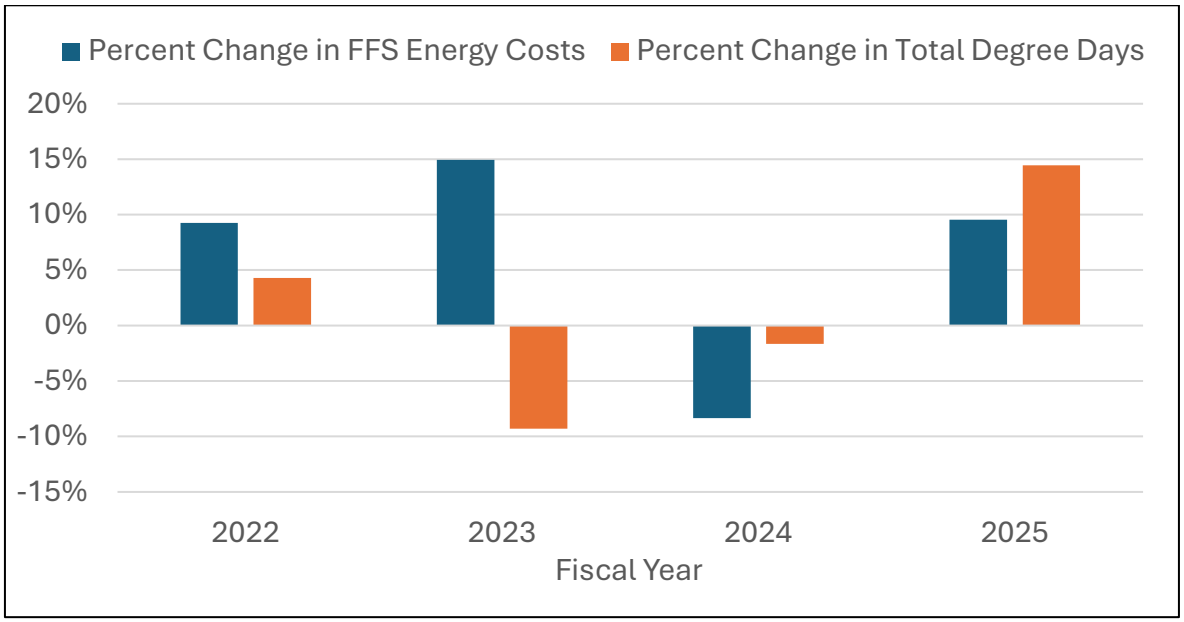


Figure 2: Change in Fee For Space Energy Expenditures and Total Degree Days Year Over Year

Recently, staff have found that fluctuating heating and cooling demand is creating growing uncertainty in forecasted energy use. Periods of unusually high summer temperatures have increased the need for cooling, while episodes of severe cold continue to influence heating requirements. The frequency of extreme temperatures varies to a considerable degree from year to year, which has made energy use less predictable and has introduced challenges in evaluating the performance of energy conservation measures and forecasting energy expenditures. Current measurement and verification standards indicate more detailed and continuous approaches to measurement and verification are needed so that realized savings can be more accurately assessed despite shifting weather patterns and increasingly variable thermal demands.

The Program is funded by two revolving funds, the SERF managed by the Treasurer in the amount of $8M, and the SRMRF managed by the BGS Commissioner in the amount of $1.5M. The Program did not approve funding for any additional projects in FY2026 due to the ongoing

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projects under management and projects that are still in development. The projects in development are expected to apply for funding in the first half of FY2027.

Two facility audits were conducted in FY2026 at the Northern State Correctional Facility and the Northwest State Correctional Facility. Planning and preparations were made for audits at four additional facilities to be completed in FY2027 under the new contract.

With respect to transportation, Administrative Bulletin 2.3 Appendix B: Fuel Card Use – State Owned Vehicles establishes requirements for capturing vehicle fuel purchases through the statewide fuel card program. This year, Energy Office staff worked closely with Fleet Management staff to confirm that the necessary data for vehicle energy consumption is being collected and stored to meet reporting requirements.

Staff continue to advance the development of a project to install new electric vehicle charging stations at the Waterbury State Office Complex among other state facilities. According to the 2026 statewide EV survey, over 75 employees at the Waterbury complex currently drive electric vehicles and 68 are considering purchasing an EV within the next three years. The proposed installation includes the addition of ten level II charging spots. This aims to expand the site's overall charging capacity and support increased use of electric vehicles by employees and visitors. Funding for electric vehicle supply equipment has been awarded through an Agency of Commerce and Community Development grant and is not funded through program revolving funds.

MERP was established through Acts and Resolves No. 172, signed by Governor Scott in June 2022, as an expansion of the State Energy Management Program (SEMP) to provide enhanced services and support to municipalities across Vermont. Additional details, annual progress, and program outcomes are available in the MERP annual reports.

Over the past year, BGS has continued to strengthen its collaboration between the Energy Office and DCD to identify, evaluate, and advance viable energy conservation measures at state facilities. Building on the progress made through nine SERF loan applications and initial project design work, staff are now focused on carrying these efforts forward and re-engaging projects that were previously paused.

Results:

Table 1. FY2026 Results

	Project Focus	Cost	KWH*	MMBTU**	First-year $ Savings	Lifetime $ Savings	Payback Period
Numerous Locations	Efficiency VT Prescriptive Projects****		8,720		$1,523	$24,653	

Docusign Envelope ID: 489DBE02-FC80-8FE3-8073-DC58B7D6A199

Numerous Locations	Solar Net**** Metering***				$67,247		
Windsor County Courthouse Renovation	HVAC****, Weatherization		47,240	531	$38,050		
Rutland County Courthouse Controls	HVAC Controls****		51,154	878	$29,403	$223,463	
Caledonia County Courthouse Controls	HVAC Controls	$6,785	30,886	1,501	$41,689	$416,885	0.2
McFarland HRU	HVAC Equipment	$284,700	76	828	$17,206	$240,896	12
Total		$291,485	138,076	3,738	$195,118	$905,897	

*Annual Kilowatt-hours of electricity saved.
**Annual million British thermal units (MMBTUs) representing thermal project savings.
***Solar net metering savings are annual savings, not first-year savings.
**** These projects were not funded by SEMP Funds: Efficiency VT Prescriptive Projects, Solar Net Metering, Windsor County Courthouse, Rutland County Courthouse

FY2027: Projected Savings, Strategies

As a result of recent hires and continued recruitment efforts, the launch of WIMS leading to better project tracking between and across BGS divisions, and funding discussions with the Office of the State Treasurer, BGS and EVT anticipate an increase in projects for FY2027.

Projected Savings:

Table 2. Projected Savings

Energy type	KWH	MMBTU	$ Savings
Electricity	511,002		$115,103
Thermal Fuels		5,117	

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Solar Photovoltaic Net-Metering	6,394,609		$68,000
Totals	7,005,611	5,117	$183,103

A detailed list of planned FY2027 activities can be found in the appendices.

Following the release of the State Auditor's Report in January of 2026, BGS has taken several steps to address identified areas of improvement in statewide energy data tracking, project selection practices, and savings verification within SEMP. Collaborative efforts between BGS and Efficiency Vermont have remained strong and would further benefit from an updated MOU. Staffing capacity is gradually being restored, and foundational processes such as statewide auditing, data validation, and reporting are being updated to better align with statutory requirements and industry standards. These ongoing efforts reflect meaningful progress toward improving program integrity, enhancing accountability, and supporting long-term energy and cost reduction goals for the State of Vermont.

Strategies:

Improving Statewide Energy Data Management and Reporting

- In accordance with 2015 Acts and Resolves No. 58, Sec. E.112, as amended by 2019 Acts and Resolves No. 72, Sec. E.112, and as further amended by 2022 Acts and Resolves No.172, BGS will continue to make improvements toward systems of measurement to achieve the goals of 2011 Acts and Resolves No. 40 and the State Auditor's recommendations made in the January 2026 report.

- BGS is developing procedures to strengthen energy data collection, including integrating leased-space consumption to ensure complete statewide energy tracking.

- BGS will maintain Energy Star Portfolio Manager as its current energy accounting system while evaluating modern platforms that better support comprehensive data collection and management for 1,102 energy meters and 156 water meters.
- Advanced energy management platforms offer measurement and verification features such as submetering and whole-facility analytics. A Request for Information is being drafted for FY2027 with the goal of aligning BGS's practices with current industry standards for measurement and verification of energy efficiency projects.

Enhancing Project Selection, Staffing Capacity, and Statewide Audit Coverage

EVT maintains dedicated staff resources to support project development with BGS, while BGS continues to rebuild staffing capacity for project management and Energy Office functions.

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- BGS is preparing a new cohort of investment-grade audits for buildings across all state entities with newly established energy audit retainer contracts that include life cycle cost analyses for energy conservation measures assessed in the report.

- With technical support from EVT, BGS's Energy Project Managers are updating project scopes to ensure compliance with payback requirements, proper documentation of non-SEMP funding, and inclusion of lifetime savings estimates

- EVT continues to assist BGS with commissioning and tuning evaluations upon request, supporting improved project performance and more accurate savings estimates.

Independent Energy Efficiency Projects

- In order to improve the completion rate of projects in FY2027 and FY2028, staff are exploring options for supplementary funding for design costs.

- The estimated costs for the SERF projects, as outlined in Table 4, are funded by SERF loans that are estimated based on audit findings. Depending on how long ago an audit was completed, a 15-30% contingency is added to the cost estimate to account for rising costs. Energy Conservation Measures (ECMs) are scoped out of the project if the payback period requirement cannot be sufficiently met. The contingency costs as well as the architectural/engineering design costs are included in the estimated cost for the payback period calculation. This unfortunately pushes some projects that would otherwise meet the required payback out of the acceptable payback window of 12-15 years dependent upon the life of the proposed equipment and approval of the Treasurer's Office.

- To support independent energy projects, the Energy Office and DCD are jointly exploring resources needed to support increases in soft costs (A/E costs, Clerking, Consultant Services etc.), independent of SERF loan. This approach aims to facilitate broader and faster implementation of ECMs. This strategy is a critical step towards enhancing Vermont's energy efficiency and resilience efforts and leading by example in public sector energy initiatives.

FY2028: Projected Savings, Strategies

Projected Savings

Table 3. Projected Savings

Energy type	KWH	MMBTU	$ Savings
Additional Projects Resulting from Energy Audits	397,647	6,002	$495,946
Solar Photovoltaic Net-Metering	6,000,000		$68,000

Docusign Envelope ID: 489DBE02-FC80-8FE3-8073-DC58B7D6A199

Totals	6,397,647	6,002	$563,946

Strategies:

Ongoing, collaborative, and systematic project identification, development, and management will remain critical to the long-term success of the Program.

In accordance with 2015 Acts and Resolves No. 58, Sec. E.112, as amended by 2019 Acts and Resolves No. 72, Sec. E.112, and as further amended by 2022 Acts and Resolves No.172 BGS will continue to make improvements toward systems of measurement to achieve the goals of 2011 Acts and Resolves No. 40.

Observations & Recommendations

The audit report recommendations released in FY2026 will inform updates to program operations in FY2027 and beyond. Staff are working within BGS and with partner agencies and departments to write new operating procedures, review data collection efforts, and update reporting requirements for the Agency Energy Implementation Plans. Coordination efforts will continue with partner agencies to evaluate program alignment with Vermont's emissions reduction strategies outlined in the GWSA and CAP. Following audit recommendations staff will work with Design and Construction to complete all standalone energy conservation projects and to incorporate any projects that do not meet revolving fund pay back requirements on their own into major maintenance work or new construction where possible. BGS will work with EVT to incorporate industry best practices into program operations where possible such as standardized measurement and verification upon the completion of projects.

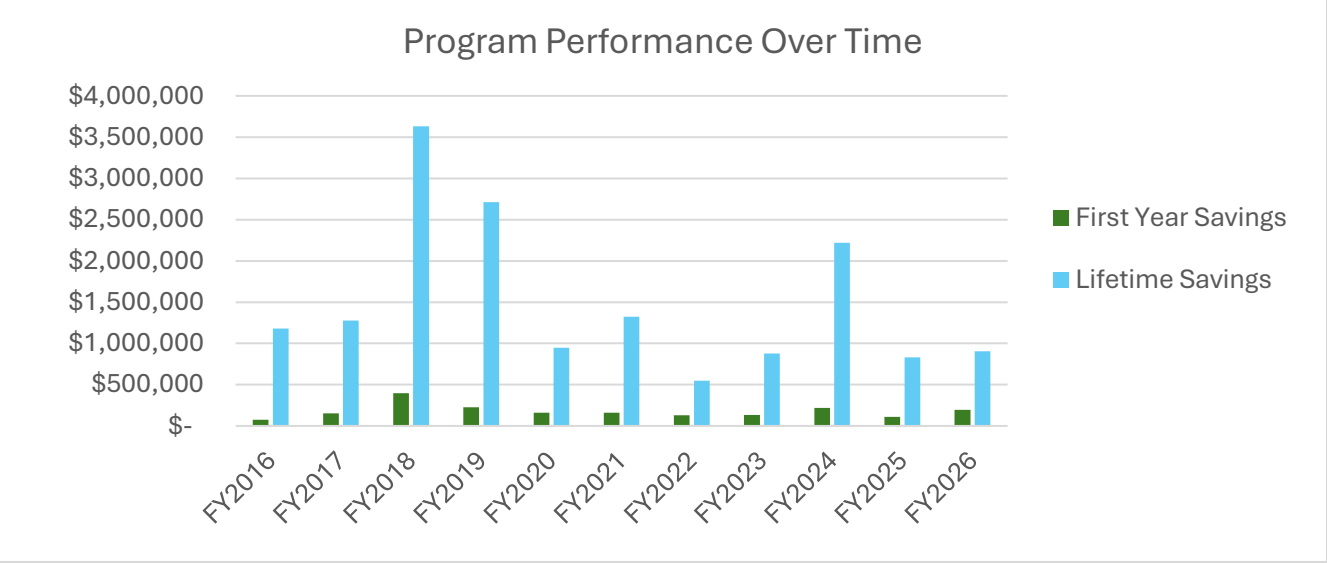


Figure 3. Program Performance Over Time

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SEMP staff will continue coordination efforts with partner agencies to generate opportunities for program alignment with Vermont's emissions reduction strategies outlined in the GWSA and CAP.

Efficiency Vermont

DocuSigned by:
By: Peter Walke
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Name: Peter Walke
Title: Director

Department of Buildings and General Services
State of Vermont

By: _____
Name: Wanda Minoli
Title: Commissioner

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Appendices

Table 4. FY2027 Detailed Project List:

Site	Project Focus	kWh	MMBTU	Project Cost	$ Savings
Bennington Welcome Center	LED	28,458	0	$58,500	$5,122
Berlin Psychiatric Care Hospital	HVAC, Weatherization	117,150	950	$256,800	$22,383
Hyde Park Ken-Gar Building	Weatherization	3,400	288	$50,000	$6,741
Middlesex Central Services	Lighting	75,063	256	$112,069	$17,316
Montpelier 1 Baldwin Street	LED Lighting, Insulation	891	134.5	$23,000	$2,390
Montpelier 6 Baldwin street	LED, HVAC Controls	22,339	153	$58,045	$3,942
New Haven Public Safety Campus	LED Lighting, HVAC Equipment, Weatherization	22,250	61	$60,300	$4,349
Rutland Courthouse	Envelope, HVAC, Lighting	186,901	2,833	$465,600	$42,029
St. Albans Courthouse	LED Lighting, Equipment, Weatherization	22,690	367	$69,800	$5,904
St Albans State Police Barracks	Lighting, HVAC, Weatherization	31,860	134	$58,200	$4,927
Totals		**511,002**	**5,177**	**$1,212,314**	**$115,103**

Savings from these projects reflect the estimates of energy auditors and are subject to change based on the actual install cost of each energy conservation measure within the project.

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Table 5. Future Projects Under Development from Completed Energy Audits

Site	kWh	MMBTU	$ Savings
Burlington Costello Courthouse (6173)	229,800	2,420	$54,350
Fair Haven Welcome Center (9250)	9,977	33	$1,985
Springfield State Office Building (6510)	-33,607	1,649	$27,986
Vermont Electric Coop Community Solar			$358,028
Northwest State Correctional Facility	191,477	1,900	$53,597
Totals	**397,647**	**6,002**	**$495,946**

Table 6. Future Scheduled Energy Audits:

Property Name	Property GFA - Self-Reported (ft^2)
Bradford Rest Area (9707)	6,861
Colchester Bldg.1705 (6200)	12,789
Colchester Bldg. 1710 (6201)	12,798
Colchester New Health Lab (6204)	61,600
Sharon Rest Area	7,732
St. Johnsbury CCWC - CAMPUS	28,437
Totals	**130,217**

BGS, with support from EVT, developed this prioritized-buildings list using two primary criteria; Energy Cost Intensity (ECI, measured in $/ft^2$) and Site Energy Use Intensity (EUI, measured in $kBtu/ft^2$). ECI shows how much BGS spends on electricity and fuel per building per ft^2. Site EUI measures how much electricity and fuel a building consumes per ft^2. The Program team ranks buildings by each primary criterion independently, from best to worst performing building. The team then averages the two criteria-based lists for each year. The final step in creating the prioritized list above is to average the years together to determine the best- and worst-performing buildings over the past four years.