

112 State Street  
4<sup>th</sup> Floor  
Montpelier, VT 05620-2701  
TEL: 802-828-2358



TTY/TDD (VT: 800-253-0191)  
FAX: 802-828-3351  
E-mail: [puc.clerk@vermont.gov](mailto:puc.clerk@vermont.gov)  
Internet: [www.puc.vermont.gov](http://www.puc.vermont.gov)

**State of Vermont  
Public Utility Commission**

February 20, 2025

Senator Anne Watson, Chair  
Senate Committee on Natural Resources and Energy  
Senator Ann Cummings, Chair  
Senate Committee on Finance  
Representative Kathleen James, Chair  
House Committee on Energy and Digital Infrastructure  
Representative Amy Sheldon, Chair  
House Committee on Environment

**SENT VIA EMAIL**

**Re: PUC's Obligations to Implement Portions of Clean Heat Standard If  
Legislature Does Not Act**

Dear Senators and Representatives:

On January 15, 2025, the Vermont Public Utility Commission ("Commission") delivered its report and proposed rule regarding the Clean Heat Standard to the committees of jurisdiction as required by Act 18. On January 16, 2025, Commission Chair McNamara provided testimony about the report and rule at a joint hearing of the Senate Natural Resources and Energy and House Energy and Digital Infrastructure Committees. It has now been over a month since the report and rule were delivered. To our knowledge, no bill has been introduced or discussed in committee that would either adopt or modify the proposed Clean Heat Standard rule. We are aware of bills that would repeal the Clean Heat Standard legislation.

We write to remind members of the committees that the Commission has ongoing statutory responsibilities related to the Clean Heat Standard that require the Commissioners and staff to continue working on certain aspects of the Clean Heat Standard unless action is taken to affirmatively end those obligations. The three obligations that remain even if the Legislature does not approve the proposed Clean Heat Standard rule are: (1) fuel dealer registration, (2) appointment of a default delivery agent and the default delivery agent's development of a budget, and (3) the continued existence of the Technical Advisory Group ("TAG") and the Equity Advisory Group ("EAG").

Specifically, 30 V.S.A. § 8124(b) requires (1) all fuel dealers who sell heating fuel into or in Vermont to register with the Commission by June 30, 2025, (2) the Commission to share registration data with the Agency of Natural Resources and the Department of Public Service, and (3) the Commission to publish a list of registered entities on its website. However, there is

no ongoing funding for the Commission's Clean Heat Standard work. The registration process requires substantial staff time to design, implement, analyze, and enforce and requires funding to support a database consultant. Additionally, Vermont's fuel dealers must dedicate their own resources to comply with the registration requirement. Further, nonregistration is enforceable by individuals who can report a fuel dealer's failure to register both to the Commission and to the Vermont Attorney General's Office as a consumer protection matter.

In addition, 30 V.S.A. § 8125(e)(1)(B) requires the Commission to approve the first three-year plan and associated budget for a default delivery agent by no later than September 1, 2025. To accomplish this, the Commission would need to issue a request for proposals for one or more default delivery agents, review bids, select and appoint one or more default delivery agents, and review and approve their plans and budgets over the next six months. Given the lack of clarity on the Clean Heat Standard, the Commission expects that the result of all this effort would be a report back to the Legislature that no entity is willing to be appointed as the default delivery agent.

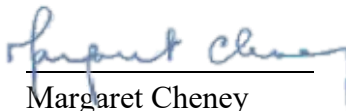
Finally, the TAG and the EAG continue to exist without legislative action. Section 8128 of Title 30 establishes the TAG. Unless the Legislature acts to disband that group, it continues to exist. Under 30 V.S.A. § 8129(c), the EAG "shall cease to exist when the initial Clean Heat Standard rules are adopted." Therefore, if those rules are never adopted, the EAG continues to exist. However, there is no funding for the TAG and the EAG. Without funding, the groups would not have *per diem* pay or Commission staff support to operate.

Given the uncertainty about the future of the Clean Heat Standard, the Commission needs to make determinations regarding competing demands for its limited resources and what work to prioritize. Any direction that the Legislature is able to provide would reduce uncertainty for all affected parties. Enclosed is proposed language that would pause Commission work on the Clean Heat Standard and provide clarity to the Commission, the statutorily authorized advisory groups, fuel dealers, and others impacted by the Clean Heat Standard. We respectfully request that the committees consider this approach.

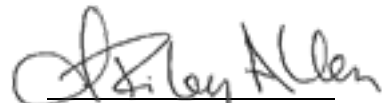
Sincerely,



Edward McNamara  
Chair



Margaret Cheney  
Commissioner



J. Riley Allen  
Commissioner

Encl.

It is hereby enacted by the General Assembly of the State of Vermont:

Sec. 1. Clean Heat Standard Nonaction

Notwithstanding contrary provisions of Title 30, ch. 94, the Public Utility Commission and the advisory groups authorized by 30 V.S.A. §§ 8128, 8129 shall not continue work on the Clean Heat Standard, and fuel dealers shall not be required to register pursuant to 30 V.S.A. § 8124(b), unless the General Assembly approves the Commission's proposed rules, pursuant to Act 18 of 2023, or otherwise requires the Commission to do so.

Sec. 2. EFFECTIVE DATE

This act shall take effect on passage.