



December 20, 2024

Ms. Holly Anderson, Clerk
Vermont Public Utility Commission
112 State Street, Drawer 20
Montpelier, VT 05620

Re: Case 24-1832
SECOND REVISED - Electric Efficiency Charge ("EEC") for CY 2025

Dear Ms. Anderson,

As noted in a concurrently filed letter with the Public Utility Commission ("Commission") in the above-referenced proceeding, the City of Burlington Electric Department ("BED") submits a second revised 2025 EEC for review and approval. This second revised EEC proposal has been adjusted in two ways from our initial EEC proposal filed October 1, 2024.

First, the revised EEC has been updated to reflect a more current fund balance (deficit) for the electric EEU fund as of November 30, 2024 of \$703,991. The electric EEU fund deficit has increased since our initial filing, primarily due to the final year of amortization of the carryforward credit of \$931,050 ordered in Case No. 20-2241 and also due to a higher than predicted level of electric EEC expenditures as compared to collections in October 2024.

Second, the revised EEC rate needed to be increased to collect the full amount of the funds identified as "EEC to be collected" (see row 46, tab EEC calculation) over 11 months, instead of the customary 12 months because we anticipate the new EEC will be effective from March 1, 2025 to February 1, 2026.

BED expects the proposed EEC to generate \$3,623,225 in EEC collections, a 58 percent overall increase relative to calendar year ("CY") 2024's estimated EEC collections. If the proposed 2025 EEC rates are approved, BED anticipates that CY 2025 EEC collections will increase by approximately \$1,337,201 relative to estimated CY 2024 collections.

Estimated CY 2024 EEC Collections	Estimated CY 2025 EEC Collections	\$ Increase	% Increase
\$ 2,286,024	\$ 3,623,225	\$ 1,337,201	58%



As shown in the table below, the proposed 2025 EEC rates are higher for all customer classes compared to 2024 EEC rates.

Rate Classifications		Proposed 2025	2024	% diff from CY23
w/o Demand Charges	Residential	\$ 0.01359	\$0.00804	55.0%
	Commercial	\$ 0.01207	\$0.00679	63.0%
w/ Demand charges	Commercial			
	kWh	\$ 0.00736	\$0.00414	62.9%
	kW	\$ 1.7223	\$0.99450	58.7%
	Industrial			
	kWh	\$ 0.006775	\$0.00401	54.8%
	kW	\$ 1.6834	\$1.02790	50.1%
Public street lighting		\$ 0.01207	\$0.00679	63.0%

Net Metering Customers

With respect to the 16 legacy net-metered customers without production meters, the proposed flat monthly 2025 EEC is \$5.07 and \$5.60 for commercial (SG3) and residential (R3) customers, respectively. For 2024, the flat monthly rates were \$2.68 (SG3) and \$3.16 (R3).

Methodology

The proposed 2025 EEC is derived – in part - from the following key inputs:

- 2023 billed energy (323,764,826 kWh) and demand (559,360 kW);
- 2023 customer charge, energy, and demand revenues (\$51.7 million);
- “True-up” of actual 2023 uncollectible balances and estimates of 2024 uncollectible balances by rate class; resulting in a net funding increase of \$5,948 (under-collection);
- “True-up” of actual 2023 EEC collections by rate class; resulting in a net funding reduction of \$45,505 (over-collection) in expected 2024 energy efficiency utility (“EEU”) requirements;



- Partial “true-up” of 2024 EEC collections by rate class¹; resulting in a net funding increase of \$79,179 (under-collection) in expected 2024 EEU requirements;
- Estimated accumulated EEU funding deficit of (\$703,991) as of November 30, 2024;
- 2025 demand resource plan budget (\$2,844,814 – Plan B)²; and,
- Gross Revenue Tax & Weatherization fees (\$37,319).

Conclusion

BED acknowledges that the proposed EEC percentage increase is significant, and that the proposed EEC rates will increase the bills of customers who do not participate in its electric efficiency programs. If approved, the new EEC will likely result in a \$3.00 to \$4.50 increase in residential bills per month. Small commercial bills will likely increase between \$5.00 and \$8.50 per month. This is an unfortunate outcome that BED would like to avoid if it could. However, we believe the proposed EEC increase is necessary to ensure BED is able to collect sufficient electric efficiency funds to continue program operations, help more customers—including income-eligible customers—lower their electric consumption, and restore the EEC fund balance. Accordingly, BED respectfully requests Commission approval of BED’s proposed 2025 EEC in accordance with the above-captioned table for each customer class.

BED notes that it has considered phasing in the EEC rate increase over two years to alleviate the rate impacts on customers. However, phasing in an EEC rate increase would not make a material difference in customer bills (the difference between the two options was fractions of a penny per kWh), and it would increase the level of complexity to manage the process and return the EEU to a solid financial footing.

Should you have any questions, please do not hesitate to contact me.

Sincerely,

/s/ Thomas Lyle

¹ Actual data was incorporated for the months of Jan–Aug 2024; estimates were used for the remaining months of 2024.

² See Case 22-2954.