

S.65 Testimony 2/21/2025

Senate Natural Resources and Energy

Peter Walke, Managing Director

Top 3 Takeaways

1

S.65 is a modest but important step forward that continues to drive energy cost savings for Vermonters and Vermont businesses

2

Energy programs are already coordinating closely in a complex policy and regulatory framework

3

EEC rates have gone down and overall bills are lower – S.65 will continue to put downward pressure on electric costs

1. S.65 represents a modest but important step forward

VEIC thoughts on testimony heard

- Active Demand Management and Storage
 - References to active demand management and storage removed; recommend the legislature request a report from the current PUC FLM study committee in January 2026.
- Concerns about usurping Tier 3 obligations
 - Tier 3 obligations are not implicated in the subdivision that grants EEU authority
- Least Cost Planning - 218c
 - 30 V.S.A § 209 makes several references to the Least Cost Planning principals in 30 V.S.A § 218c; recommend reinstating the reference struck in V1
- Global Warming Solutions Act
 - References removed to address concerns voiced by Chair McNamara
- Electric collections – long-term budget cap
- No change to coordination with DUs; Statutory goals and criteria remains in effect:
 - *30 V.S.A § 209 (f)(5): Promote and ensure coordinated program delivery, including coordination with low-income weatherization programs, entities that fund and support affordable housing, regional and local efficiency entities within the State, other efficiency programs, and utility programs.*



2. Continued coordination in a complex energy program environment

Joint Efficiency Vermont-DU Tier 3 Programs

Benefits

Easy for Customers

- One process to access rebates

Consistent & Simple for Supply Chain Partners

- Less administrative burden – one rebate and qualified products list
- Easier to promote and sell products to customers, regardless of what DU serves them

Maximizes Fossil Fuel Savings Across Programs

- Gives contractors and suppliers confidence to build their businesses – growing the pool of savings for all programs

Minimizes Competition & Reduces Costs

- Prevents competition between Efficiency Vermont and DUs, which would increase both incentive and administrative costs
- Allows DUs to leverage Efficiency Vermont's existing program infrastructure, rather than having to re-create their own

Efficiency Vermont-DU Joint Programs

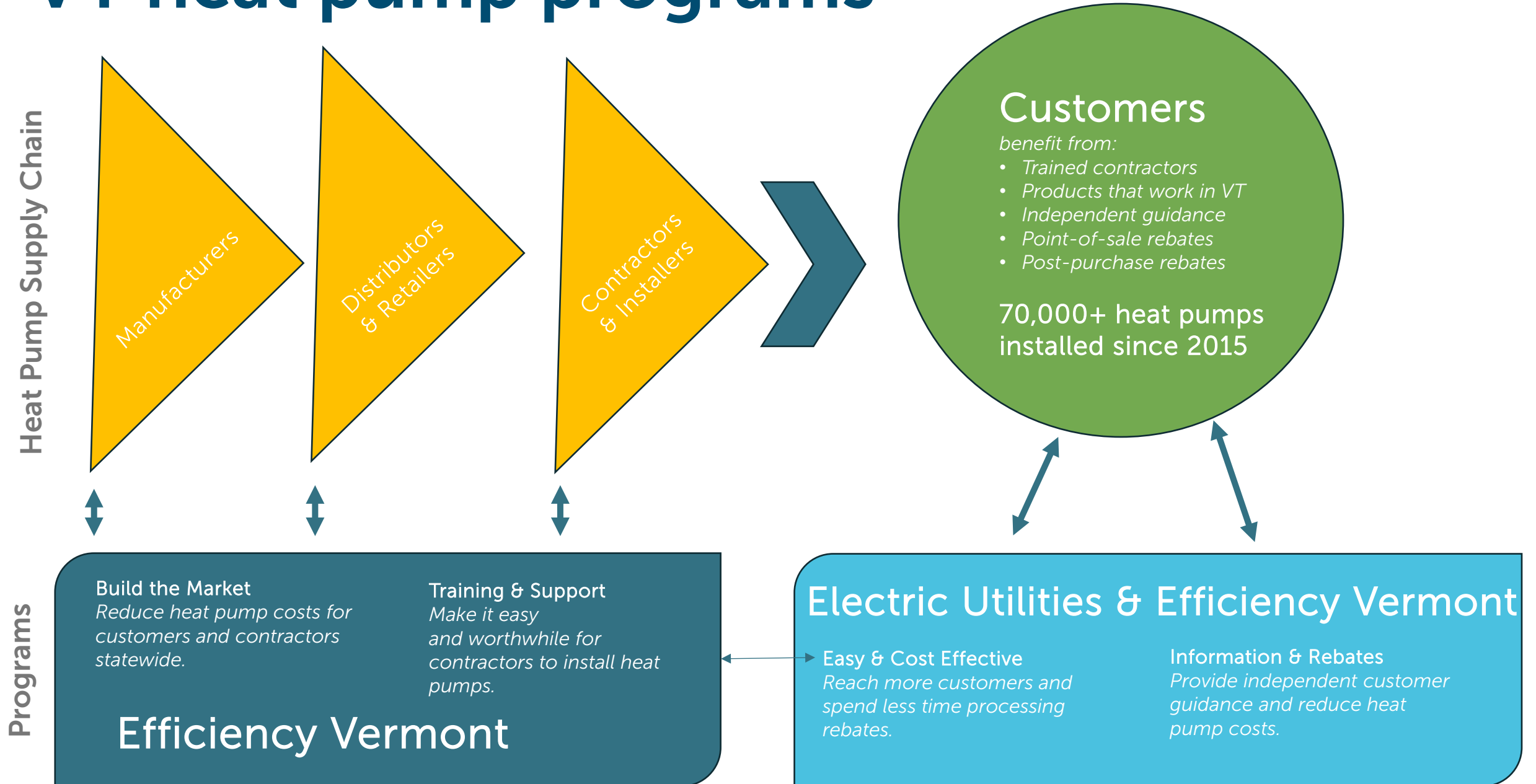
As of January 2025

	GMP	VEC	WEC	VPPSA	Stowe
Cold Climate Heat Pumps (ductless)	<input checked="" type="checkbox"/>				<input checked="" type="checkbox"/>
Cold Climate Heat Pumps (ducted)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Cold Climate Heat Pumps (air to water)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
New Ground Source Heat Pumps	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
New Wood and Pellet Stoves	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Heat Pump Water Heaters	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Customized Support for Business Customers	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

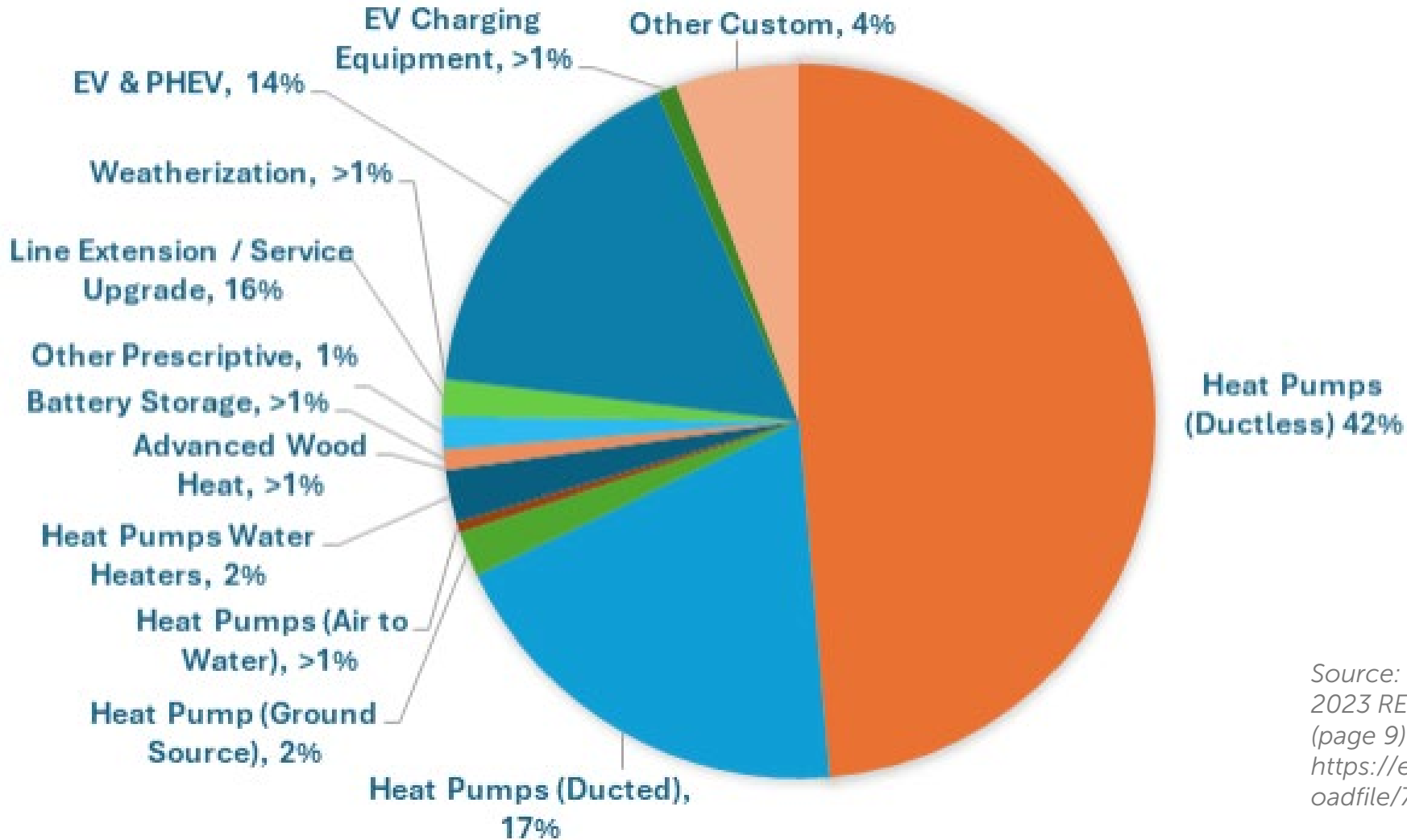
Efficiency Vermont:

- Processes rebates for DUs
- Trains contractors
- Maintains point of sale and reporting systems
- Manages Qualified Products Lists
- Recruits and supports statewide network of distributors and suppliers
- Markets the technologies
- Unbiased guidance to customers

VT heat pump programs



Tier 3 Savings by Measure (2023)



Source: Public Service Department
2023 RES Tier 3 verification report
(page 9)
<https://epuc.vermont.gov/?q=downloadfile/720017/196694>

EVT-DU Joint Program Results (2023)

Distribution Utility	Res Tier 3 Target	Efficiency Vermont Joint Program Impact
Green Mountain Power (GMP)	241,982 MWHe	334,335 MWHe 138% of target 68% of total Tier 3 credits claimed
Stowe Electric Department	3,117 MWHe	10,056 MWHe 323% of target 90% of total Tier 3 credits claimed
VT Electric Cooperative (VEC)	27,738 MWHe	37,980 MWHe 137% of target 25% of total Tier 3 credits claimed
VT Public Power Supply Authority (VPPSA)	16,259 MWHe	15,993 MWHe 98% of target 84% of total Tier 3 credits claimed
Washington Electric Cooperative (WEC)	4,912 MWHe	14,453 MWHe 294% of target 90% of total Tier 3 credits claimed
All Distribution Utilities	294,008 MWHe	412,817 MWHe 140% of target for all participating DUs 60% of total Tier 3 credits claimed by DUs

Source: PSD RES Tier 3 2023 Verification Report: <https://epuc.vermont.gov/?q=downloadfile/720017/196694>

These results do not include credits/savings generated through custom projects with large business customers, since those individual projects are not typically specified in RES Tier 3 annual reporting.

“Proof of concept”

Refrigeration + FLM at Against the Grain bakery

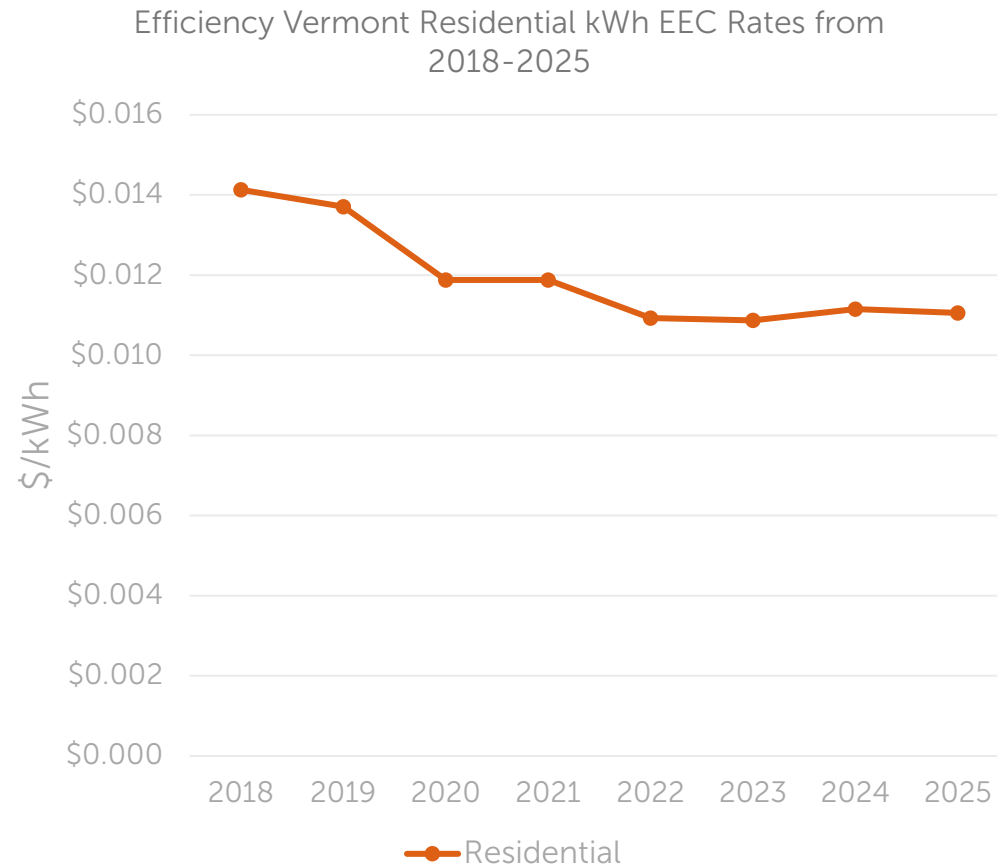
- Innovative approach uses thermal mass of frozen products to maintain temperatures—turning freezers into demand response assets
- Advanced controls & FLM integration allows shedding up to 20% of load during peak events
- \$55,000 in annual efficiency savings + from \$3k-\$5k in annual FLM savings
- Under FLM 3.0 billing structure, annual FLM savings expected to be significantly higher



3. EEC rates have gone down and overall bills are lower – S.65 will continue to put downward pressure on electric costs



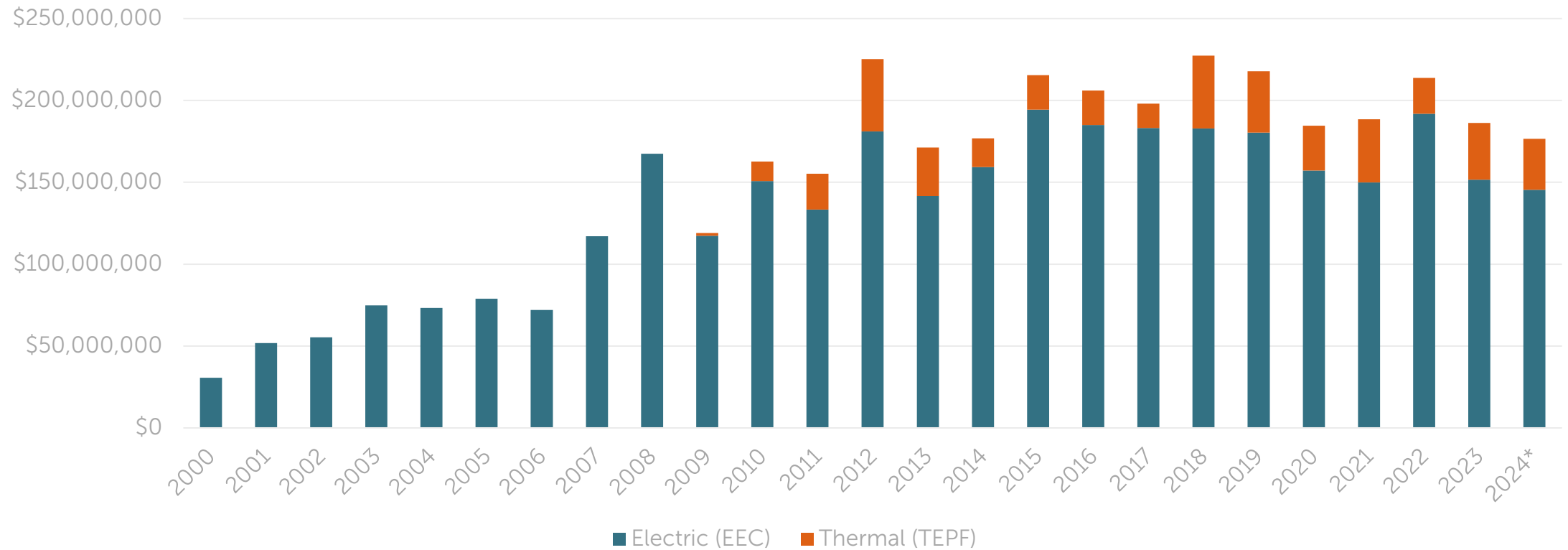
Efficiency Vermont's rates are generally flat to declining.



21% reduction in Residential EEC rates over seven years (42% inflation-adjusted)

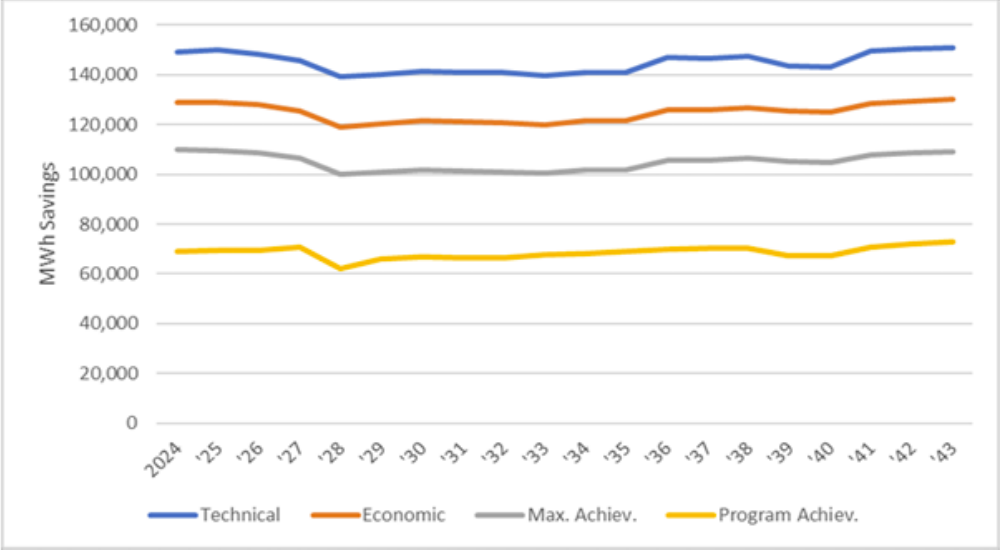
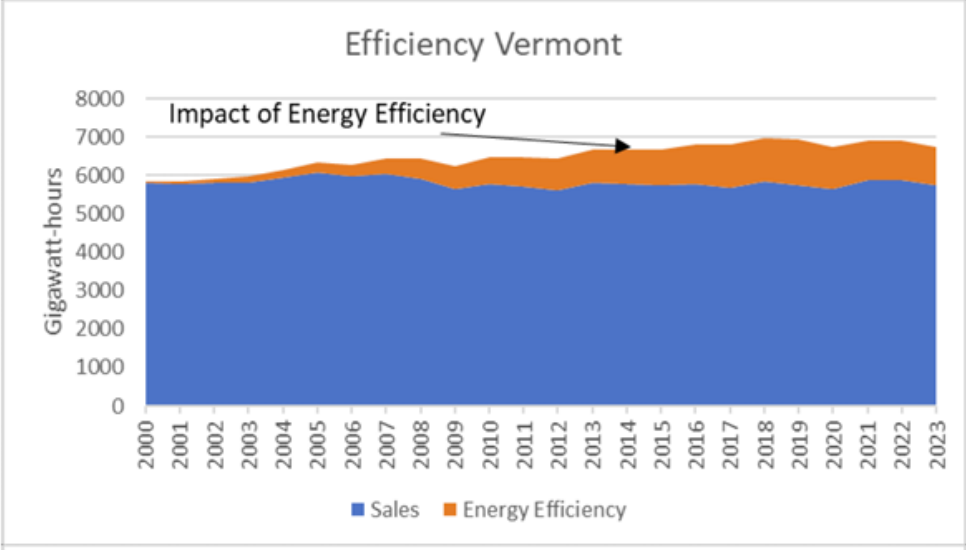
Customer bill savings

Lifetime electric & fuel savings generated annually since 2000: \$3.7B



*pending PSD verification

Electric Efficiency Has Helped Maintain Flat Load



EVT Potential Incremental Annual MWh Savings

Since 2000, Vermont residents and businesses have made energy efficiency upgrades that total more than **\$3.38 billion** in savings over time.

The chart on the top left shows Efficiency Vermont (EVT) cumulative savings over time, while the chart on the right illustrates the results of Burlington Electric Department (BED) efforts. EVT serves all of Vermont except Burlington.

On the right, EVT's future potential is expected to be declining in the near term before remaining relatively flat



VEIC proposed edits

Peter Walke
Managing Director
Efficiency Vermont

20 Winooski Falls Rd, 5th Floor

Winooski, VT 05404

efficiencyvermont.com

Efficiency
Vermont