

State Energy Management Program

Testimony Senate Committee on Natural Resources & Energy
February 6th, 2026

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Program Background

**Annual Reports
October 2025**

**Program Report
January 2026 Fund
Report**

*Energy Office
responsibilities have
expanded to include:

- Electric Vehicle
Supply Equipment
(EVSE)
- Energy Storage
- The Municipal Energy
Resilience Program

High Level Program Description and history

The State Energy Management Program (SEMP) is responsible for all energy management measures in State buildings and facilities

2014: ACT 178 established the SEMP, implemented through two revolving funds: the State Energy Revolving Fund & State Resource Management Revolving Fund.

2016: ACT 58 augmented the SEMP for four years.

Efficiency Vermont reimburses the State of Vermont for three full time employees.

BGS and Efficiency VT are required to achieve \$150,000 in energy savings annually.

2022: ACT 172 Municipal Energy Resilience Program augmented the SEMP for four years. Within the expansion of services to municipalities, the existing SEMP is extended through 2027.

- SEMP has four staff:
 - Admin (Planning and Property Management)
 - Manager & Coordinator
 - Project Implementation (Design and Construction)
 - Two Project Managers
- Following Act 172, The Energy Office has three additional staff to help administer the Municipal Energy Resilience Program also run by the Manager.

Program Background



SEMP Process

- Energy Use Tracking
 - BGS directly inputs information for facilities under BGS jurisdiction and relies on other agencies and departments to enter information for the facilities they manage
- Investment Grade Energy Audit
 - BGS Maintains 3 Million Square Feet of owned facility space
 - Planning to integrate about 1 Million Square Feet of leased space
- Project Scope Development and Funding
 - SEMP contains two Revolving Loan Funds
 - Project Managers develop SOW and oversee construction



Audit Findings and Responses

- State Auditor's Office announced an audit of the SEMP in February 2025. Requests for information covered data from FYs 2016-25:
 - Energy data in ESPM
 - Project information from GRITS VISION from FSD
 - Transportation data from BGS Fleet

The Audit Report was issued on January 20, 2026

The audit made several findings regarding deficiencies in the SEMP processes, and made recommendations.

BGS provided a response, which is included in the Audit Report as Appendix V. We generally agree with the Audit Findings and Recommendations, and outlined planned steps and timelines to address deficiencies.

Some key areas of deficiency noted included how we track and address energy use for facilities that aren't owned by BGS and fuel use by vehicles, how we verify energy savings data, the number of energy efficiency projects completed, and how we establish baselines and report on progress towards SAEP goals.

Opportunities for Improvement

- **Data Tracking and Savings Measurement & Verification (M&V)**
 - While the department maintains accounts for BGS owned and operated buildings in ESPM we are unable to edit account information for other state buildings and are reliant upon partner agencies to update their accounts. BGS has already begun looking into utility accounting systems to provide enhanced tracking.
 - BGS agrees that regular post installation project savings evaluations should be conducted to verify energy savings. Energy savings M&V can be conducted at a variety of levels and BGS will explore the adoption of post installation diagnostics procedures and associated budget impacts.
 - BGS acknowledges need for improvement in statewide energy reduction tracking and has committed to updating SAEP reports on a biennial basis and will have a 2026 report prepared for release by the end of FY2027.

Opportunities for Improvement

- **Updating program statute and baselines to better align with state targets**
 - BGS agrees that baselines need to be established for the SAEP. BGS will work with partner agencies and departments to review historic energy consumption information and statewide energy and emissions reduction targets to develop recommendations for adopted baselines by December 1st, 2026.
- **Project Bundling and Meeting Overall Savings Requirements**
 - To reduce disruption and achieve construction efficiencies, we have at times bundled measures into a single project. To ensure each measure meets savings requirements, BGS will draft updated SOPs governing the use of combined funds when implementing energy projects and provide them to the Commissioner for review by the end of FY2026.

Audit Response

Opportunities for Improvement

- **Staffing**
 - BGS acknowledges significant issues with staffing over the last four years as well as increases in project costs beyond what traditional savings can cover. With regards to staffing BGS is pleased to say that both project manager positions have been filled in January 2026, and we expect to begin new project development by the end of the fiscal year.
- **Leased Space**
 - BGS acknowledges that while processes for energy reduction in leased space were developed in 2014, there have been significant challenges to practically implementing them given the variety in lease agreements and complications in standardization between private property owners. However, BGS has started the data collection process and is committed to working with property owners to development implementation procedures in leased space by the end of FY2027.
- **Vehicle emissions**
 - Program staff will work with BGS Fleet Management to write new SOPs for the capture and accounting of transportation fuels by the end of 2026. Additionally, BGS will work with AOT on the coordination of all statewide transportation fuel accounting.

Program Successes

Vermont State Offices - Waterbury

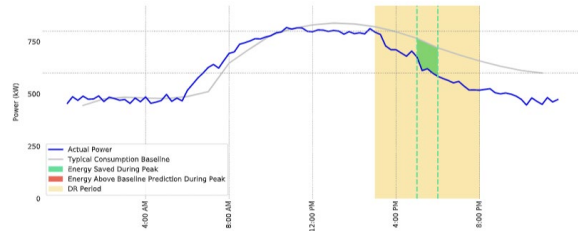
Predicted Average During FCM Peak: 719.8 kW
Actual Average During FCM Peak: 603.7 kW
Observed Reduction During FCM Peak: 116.0 kW
Reward Rate: \$58.80/kW
FCM Reward: \$6,822.97

July 2019 Peak Event
Date: Tuesday July 30, 2019
DR Requested: 3:00 PM - 8:00 PM
Peak Type(s): FCM
FCM Peak Hour: 5:00 PM - 6:00 PM

Peak Day Loadshape (Tuesday July 30, 2019)

Congratulations! You've received a reward of \$6,822.97 for your demand response actions this month.

This plot shows your actual usage against your 'baseline' or typical power usage on the peak day for this month. The 'baseline' considers weather, previous energy usage, daily, weekly, and seasonal cycles to produce a value that would be typical for your site.



SEMP

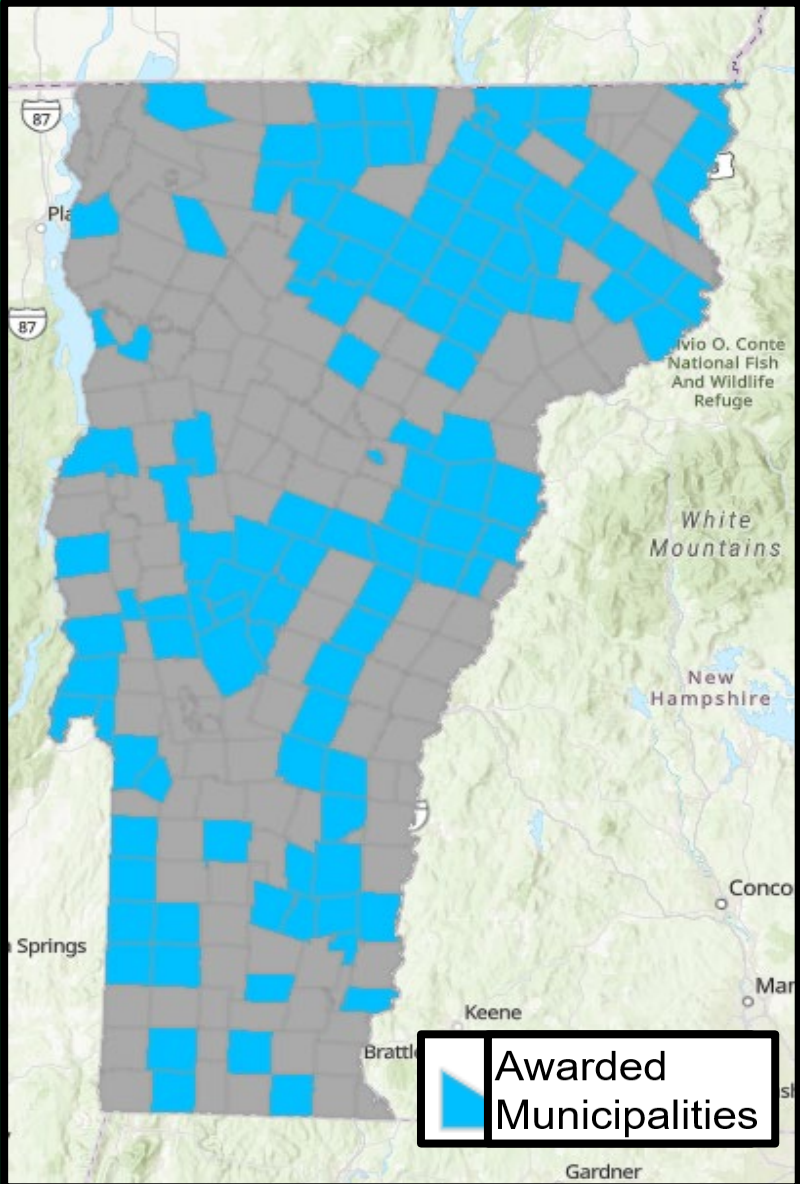
- In addition to our ongoing energy management work, the SEMP has been a vehicle for investigating and implementing innovative new technologies at state facilities
- Flexible Load Management Pilot
 - Launched 2019 with WSOC expanded to three additional facilities by 2025
 - Cost \$38.5k – Software and Equipment Controls Integration
 - Savings to Date FLM 1. \$8,037, FLM 2. \$14,708, FLM 3. \$29,966 = \$52,711
- Fuel Switching - Middlesex Central Services - Replaced Oil Boiler with Biomass
 - Cost \$683K v. Annual Savings of \$33k & 151 MTC02e.
 - Estimated Lifetime savings of \$1,003,442 and 4,532 MTC02e (eqv. 11.5M miles driven)
- Transportation Emissions – EVSE
 - The Energy Office worked with BGS Fleet to expand EVSE at state facilities from eight stations in 2019 to 35 in 2025. Station session data helps inform the deployment of additional resources and allows us to adjust cost recovery

Program Successes

MERP

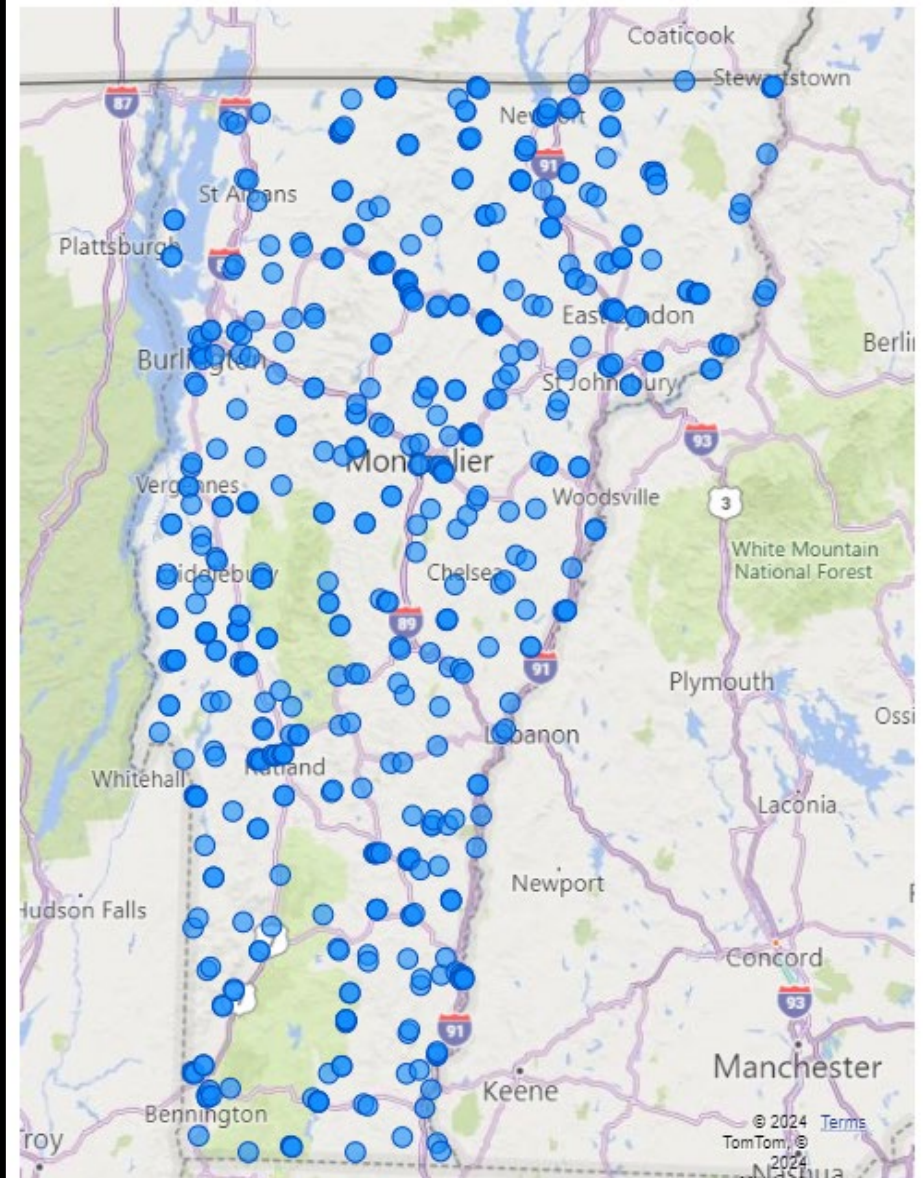
Annual Report
January Report

MERP Implementation Grant –
Awarded Municipalities



MERP Completed Site Visits

Scroll or pinch to zoom in/out. Click and drag to pan around.



Thank you!

BGS.Vermont.gov/commissioner/energy-environment
BGS.Vermont.gov/municipal-energy-resilience-program