

1 S.269

2 Introduced by Senators Parent and Brock

3 Referred to Committee on Finance

4 Date: January 18, 2022

5 Subject: Public service; energy; self-managed energy efficiency programs

6 Statement of purpose of bill as introduced: This bill proposes to extend the
7 Energy Savings Account Partnership Pilot Program for an additional three
8 years.

9 An act relating to extending the Energy Savings Account Partnership Pilot
10 Program

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

12 ~~Sec. 1. 2018 Acts and Resolves No. 150, Sec. 2 is amended to read:~~

13 Sec. 2. ENERGY SAVINGS ACCOUNT PARTNERSHIP PILOT

14 (a) Definitions. As used in this section:

15 * * *

16 (b) ESA Partnership Pilot; establishment. On or before July 1, 2019, the
17 Commission by rule or order shall establish a ~~three-year~~ six-year pilot program
18 for customers to self-direct the use of their Customer EEC Funds, working
19 ~~with EVT. The total amount of Customer EEC Funds available in the pilot~~

~~program each year shall not exceed \$2 million. The pilot program established~~

under this section shall be an expansion of the ESA option under which:

(1) Notwithstanding any contrary provision of 30 V.S.A. § 209(d)(3)(E), the customer shall continue to pay its EEC and be able to receive an amount equal to 100 percent of its ESA account balance to pay for the full cost of projects that are eligible under subdivision (3) of this subsection; for technical assistance and other services from Efficiency Vermont; and for evaluation, measurement, and verification activity conducted by the Department or EVT.

(2) The customer may receive payments in advance of project completion from EVT based on the energy management plan submitted under subsection (e) of this section, estimated project costs, and projected energy savings. However, a customer shall not receive advance payments from EVT that exceed the amount of Customer EEC Funds the customer has already paid.

(3) Notwithstanding any contrary provision of 30 V.S.A. § 209, the Customer EEC Funds may be used for one or more of the following: electric energy efficiency, thermal energy and process-fuel efficiency for unregulated fuels, energy productivity measures, demand management, and energy storage that provides benefits to the customer and its interconnecting utility. In addition, for a customer who is a manufacturer and whose purchases of

~~regulated fuel exceeded 600,000 thousand cubic feet (MCF) in 2017, the~~

1 ~~Funds may be used for thermal energy and process fuel efficiency for~~
2 regulated fuels, and any regulated fuel savings attributable to investment of
3 Customer EEC Funds through the pilot program shall be counted towards
4 EVT's performance indicators. EVT may allocate the cost of the pilot across
5 regulated and unregulated fuel funding sources in a manner that avoids or
6 reduces the need to adjust savings goals approved by the Commission.

7 * * *

8 (e) Energy management plans. Working with EVT, each customer selected
9 for the ESA Partnership Pilot shall develop an energy management plan for the
10 ~~three-year~~ six-year period of the pilot with projects to be implemented, energy
11 savings targets, and a timeline for projects and investments. A copy of each
12 plan shall be submitted to the Commission, the Department, and ACCD.

13 * * *

14 (i) Annual reports. On or before each November 1 from 2020 through
15 ~~2022~~ 2025, the EVT and the selected customers jointly shall submit written
16 progress reports to the Commission, the Department, and the standing
17 committees of jurisdiction that include projects under the ESA Partnership
18 Pilot and their associated energy and cost savings. A customer's projects
19 under the pilot and the associated data and results shall be made public through
20 this report. However, a customer may request that the Commission order
21 ~~customer-specific data to be used in preparing a report under this subsection be~~

1 ~~kept confidential if the data would qualify for exemption from disclosure~~
2 under 1 V.S.A. § 317. If the Commission issues such an order, the data subject
3 to the order shall be disclosed only in accordance with a protective agreement
4 approved by the Commission and signed by the recipient of the data, unless a
5 court directs otherwise.

6 (j) Evaluation; recommendation. On completion of the ESA Partnership
7 Pilot, the Commission shall conduct or shall have a third party conduct an
8 independent evaluation of the ESA Partnership Pilot.

9 * * *

10 (3) After considering the results of that evaluation, the Commission
11 shall submit a written recommendation to the standing committees of
12 jurisdiction on whether to continue the program conducted under this section
13 and, if so, under what recommended conditions and revisions, if any. The
14 Commission shall submit this recommendation to the General Assembly on or
15 before January 15, ~~2023~~ 2026.

16 Sec. 2. EFFECTIVE DATE

17 ~~This act shall take effect on passage.~~

Sec. 1. 2018 Acts and Resolves No. 150, Sec. 2 is amended to read:

Sec. 2. ENERGY SAVINGS ACCOUNT PARTNERSHIP PILOT

(a) Definitions. As used in this section:

** * **

(b) ESA Partnership Pilot; establishment. On or before July 1, 2019, the Commission by rule or order shall establish a ~~three-year~~ pilot program for

customers to self-direct the use of their Customer EEC Funds, working with EVT. The total amount of Customer EEC Funds available in the pilot program each year shall not exceed \$2 million. The pilot program established under this section shall be an expansion of the ESA option under which:

(1) Notwithstanding any contrary provision of 30 V.S.A. § 209(d)(3)(B), the customer shall continue to pay its EEC and be able to receive an amount equal to 100 percent of its ESA account balance to pay for the full cost of projects that are eligible under subdivision (3) of this subsection; for technical assistance and other services from Efficiency Vermont; and for evaluation, measurement, and verification activity conducted by the Department or EVT.

(2) The customer may receive payments in advance of project completion from EVT based on the energy management plan submitted under subsection (e) of this section, estimated project costs, and projected energy savings. However, a customer shall not receive advance payments from EVT that exceed the amount of Customer EEC Funds the customer has already paid.

(3) Notwithstanding any contrary provision of 30 V.S.A. § 209, the Customer EEC Funds may be used for one or more of the following: electric energy efficiency, thermal energy and process-fuel efficiency for unregulated fuels, energy productivity measures, demand management, and energy storage that provides benefits to the customer and its interconnecting utility. In addition, for a customer who is a manufacturer and whose purchases of regulated fuel exceeded 600,000 thousand cubic feet (MCF) in 2017, the Funds may be used for thermal energy and process-fuel efficiency for regulated fuels, and any regulated fuel savings attributable to investment of Customer EEC Funds through the pilot program shall be counted towards EVT's performance indicators. EVT may allocate the cost of the pilot across regulated and unregulated fuel funding sources in a manner that avoids or reduces the need to adjust savings goals approved by the Commission.

~~*(4) The pilot created pursuant to this section shall be extended an additional 18 months, until December 31, 2023. The Commission shall allow the current participants in the pilot to decline to participate in this extension by submitting written notice to the Commission on or before June 30, 2022. The extension shall allow pilot participants to spend or contract to spend pilot funds accrued prior to January 1, 2024 but shall not allow participants to accrue additional pilot funds. The Commission shall consider requests and shall approve all reasonable extension requests.*~~

~~*(5) The participants selected for the pilot may request an additional extension until December 31, 2026. The Commission shall consider requests and shall approve all reasonable extension requests.*~~

(4) The pilot created pursuant to this section shall be extended an additional 18 months, until December 31, 2023. The Commission shall allow the current participants in the pilot to decline to participate in this extension by submitting written notice to the Commission on or before June 30, 2022.

(5) The participants selected for the pilot may request an additional extension until December 31, 2026. The extension shall allow pilot participants to spend or contract to spend pilot funds accrued prior to January 1, 2024 but shall not allow participants to accrue additional pilot funds. The Commission shall consider requests and shall approve all reasonable extension requests.

* * *

(e) Energy management plans. Working with EVT, each customer selected for the ESA Partnership Pilot shall develop an energy management plan for the ~~three-year~~ period of the pilot with projects to be implemented, energy savings targets, and a timeline for projects and investments. A copy of each plan shall be submitted to the Commission, the Department, and ACCD.

* * *

(i) Annual reports. On or before each November 1 from 2020 through ~~2022~~ 2025, the EVT and the selected customers jointly shall submit written progress reports to the Commission, the Department, and the standing committees of jurisdiction that include projects under the ESA Partnership Pilot and their associated energy and cost savings. A customer's projects under the pilot and the associated data and results shall be made public through this report. However, a customer may request that the Commission order customer-specific data to be used in preparing a report under this subsection be kept confidential if the data would qualify for exemption from disclosure under 1 V.S.A. § 317. If the Commission issues such an order, the data subject to the order shall be disclosed only in accordance with a protective agreement approved by the Commission and signed by the recipient of the data, unless a court directs otherwise.

(j) Evaluation; recommendation. On completion of the ESA Partnership Pilot, the Commission shall conduct or shall have a third party conduct an independent evaluation of the ESA Partnership Pilot.

* * *

(3) After considering the results of that evaluation, the Commission shall submit a written recommendation to the standing committees of jurisdiction on whether to continue the program conducted under this section and, if so, under what recommended conditions and revisions, if any. The Commission shall submit this recommendation to the General Assembly on or

before January 15, 2023 July 1, 2027.

Sec. 2. ESA PARTNERSHIP PILOT WORKING GROUP

(a) On or before August 1, 2022, the Department of Public Service shall convene the Energy Savings Account Partnership Pilot Program Working Group. The Working Group shall include the participants in the Energy Savings Account program created pursuant to 30 V.S.A. § 209(d)(3)(B), the participants in the Energy Savings Account Partnership Pilot Program, Efficiency Vermont, and the Secretary of Commerce and Community Development or designee.

(b) On or before January 15, 2023, the Energy Savings Account Partnership Pilot Program Working Group shall report to the General Assembly with recommended changes to the Energy Savings Account program rules.

~~Sec. 3. HOME WEATHERIZATION ASSISTANCE PROGRAM~~

~~*This act shall take effect on passage.*~~

** * * Home Weatherization Assistance Program * * **

Sec. 3. 33 V.S.A. § 2502 is amended to read:

§ 2502. HOME WEATHERIZATION ASSISTANCE PROGRAM

** * **

(b) In addition, the Director shall supplement, or supplant, any federal program with the State Home Weatherization Assistance Program.

(1) The State program shall provide an enhanced weatherization assistance amount exceeding the federal per unit limit allowing amounts up to an average of \$8,500.00 per unit allocated on a cost-effective basis. The allowable average per unit may be adjusted to account for the lower cost per unit of multifamily buildings. In units where costs exceed the allowable average by more than 25 percent, prior approval of the Director of the State Economic Opportunity Office shall be required before work commences. This amount shall be adjusted annually by increasing the last year's amount by the percentage increase in the Consumer Price Index for the previous year to account for inflation of materials and labor.

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** * * Reauthorization and Extension of VEGI * * **

Sec. 4. FY 2020–2022; VEGI AWARDS

Any awards for a Vermont Employment Growth Incentive under 32 V.S.A. chapter 105, subchapter 2 granted by the Vermont Economic Progress Council between January 1, 2021 and enactment of this act are authorized by the General Assembly.

Sec. 5. 2016 Acts and Resolves No. 157, Sec. H.12 is amended to read:

*Sec. H.12. VEGI; REPEAL OF AUTHORITY TO AWARD
INCENTIVES*

Notwithstanding any provision of law to the contrary, the Vermont Economic Progress Council shall not accept or approve an application for a Vermont Employment Growth Incentive under 32 V.S.A. chapter 105, subchapter 2 on or after January 1, ~~2021~~ 2024.

Sec. 6. EFFECTIVE DATES

This act shall take effect on passage except that, notwithstanding 1 V.S.A. § 214, Sec. 4 (VEGI awards) shall take effect retroactively on December 31, 2020.