BURLINGTON Electric DEPARTMENT

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January 9, 2014

Ms. Susan M. Hudson, Clerk of the Board
Vermont Public Service Board
112 State Street, Drawer 20
Montpelier, Vermont 05601-2701

Re: EEU-2013-01 (EEU Demand Resources Plan) – BED Analysis of Three Electric Energy Efficiency Resource Acquisition Scenarios

Dear Ms. Hudson:

Pursuant to the Vermont Public Service Board's September 30, 2013 Order Determining Electric Resource Acquisition Scenarios to be Analyzed and Electric and Thermal Energy and Process Fuel Quantitative Performance Indicator Framework, please find attached the Burlington Electric Department's (BED) analysis of three electric energy efficiency resource acquisition scenarios.

The following electric budget and energy savings scenarios were modeled:

1. Acquisition of all economically achievable potential through level budgets (adjusted for inflation) over twenty years.

2. Acquisition of all economically achievable potential through the extension of the current 2012-2031 DRP through 2034, with the 2032-2034 annual budgets increased at the same rate as the average year in 2018-2031.

3. Ramp up to and maintenance of acquisition of 3% savings relative to annual electric energy usage by year 2019.

BED's analysis includes the policy and modeling input assumptions that were jointly proposed by the Department of Public Service (DPS), Vermont Energy Investment Corporation (VEIC) and BED and approved in the Board's September 30, 2013 Order. Some of the assumptions are applied differently for BED based on its service territory. The specific assumptions for BED include:

- Residential - sector equity requirements: The analysis applies 25% of BED's annual Resource Acquisition (RA) budgets to the residential sector. Multifamily program spending is included in residential sector spending. Currently, the residential sector contributes about 25% of the total EEC in BED's territory.

- Commercial - sector equity requirements: The analysis applies 75% of BED's annual RA budgets to the commercial sector.

- Low-income - sector equity requirements: The analysis assumes that a minimum of 2.6% of BED's annual RA spending will be in the low-income sector.

- Small Business - sector equity requirements: The analysis assumes that the minimum number of participating non-residential customers with less than 40,000kWH annual consumption is 158 commercial customers.

BED worked collaboratively on the scenario analysis with the DPS and their contractor, GDS Associates Inc., who was contracted by the DPS to update BED's energy efficiency potential study results from the inaugural DRP. The analysis attempts to capture some of the unique features of BED's service territory such as the high saturation of natural gas usage for space and domestic hot water heating, the high percentage of residential multi-family rental customers, the high annual residential account turnover rate and the limited single-family new construction market.

Please feel free to contact me with any questions.

Sincerely,

BURLINGTON ELECTRIC DEPARTMENT

Chris Burns

Chris Burns
Director of Energy Services

cc: EEU 2013-01 Service List (electronic service only)