



November 15, 2019

Mr. Thomas Knauer, Policy Director
Vermont Public Utility Commission 112 State Street
Post Office Drawer 20 Montpelier, Vermont 05620-2701

RE: Comments to Vermont Public Service Commission on Case No. 19-2956-INV

Mr. Knauer:

Capstone Community Action primarily offers services to low income Vermonters. We deliver the Weatherization Assistance Program in Washington, Lamoille and Orange counties. In addition, our 3E Thermal division provides multi-family retrofit support services through both WAP and EVT. We are also one of the largest Home Performance with Energy Star contractors in Vermont.

We believe Vermont needs one clear, consistent policy framework and a singular message to drive market transformation in a climate crisis. Capstone has four recommendations to advance the market transformation required to meet our emissions goals.

- 1) Establish a policy and regulatory framework that recognizes energy burden and provides income sensitive support to equitably transition all Vermonters to a clean energy future.
- 2) Level the playing field - regulate bulk fossil heating fuels, and raise funds to transition to cleaner alternatives from these heating fuels at rates commensurate with the efficiency charge on electricity.
- 3) Promote and provide electrification products and services with a consistent message and make them available to all Vermonters.
- 4) Promote efficiency and market transformation through a single entity and a trusted brand.

Climate justice requires acknowledgment that the capacity to transition to sustainable alternatives is a function of household income. Resources that support transition to a clean energy future should be disproportionately targeted to households with the highest energy costs relative to their income.

The resources for electrification should be drawn from energy sources that generate high carbon emissions. The PUC should regulate bulk petroleum fuels used for heating and levy efficiency charges that are commensurate with the current efficiency charge on electricity. The funds should be available on an income sensitive scale to support Vermonters transition away from high polluting heating fuels.

Capstone seeks to raise awareness of the significant challenges in rural electrification transformation, specifically in the transportation sector. To get the best bang for the buck we need to target limited resources toward electrifying those who drive the most miles. These drivers often live in rural communities.

Unfortunately, many rural residents, particularly in northern Vermont, are served by coops or municipal utilities that have high infrastructure costs relative to their kWh sales. These Vermonters pay a higher cost per kWh, creating a disincentive to transition from internal combustion engines (ICE) to EVs. Their rural Distribution Utilities (DUs) also have higher barriers to deploying the technologies and services and that can interact with a customer's loads in order to optimize benefits for all stakeholders.

Another barrier we see is the muddle of messages around electrification. Nobody can seem to speak with clarity about the EV opportunity because it changes based on your location, utility and income.

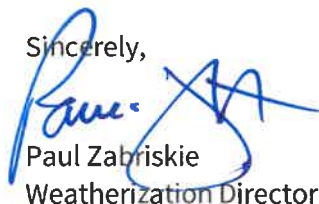
Change is hard. Normalization matters. The mix of incentives and messages around electrification creates confusion, and a confused mind resists change. The current structure that tries to braid EVT's efficiency incentives with the DU's Tier 3 electrification products is too confusing for consumers. Vermonters need one messenger and a common offer to meet the demands of the climate crisis.

Our expertise is not in designing regulatory or energy sector solutions. But we do wish to highlight the deficiency we see in the current situation. From the perspective of a community action weatherization provider, the initial establishment of the efficiency utility delivered benefits by consolidating individual direct install contracts with each DU into a common offering under one contract. It silenced the noise and allowed us to deliver more cost-effective services. That history suggests to us that the delivery of electrification should also be consolidated and implemented through a single entity.

Finally, the citizens of Vermont own tremendous brand equity in Efficiency Vermont. We view EVT as a brand owned and nurtured by the Public Service Board. We feel Vermonters both respect and trust the brand to deliver impartial information and financially justified services. We have also seen success when EVT manages the brand and communications while coordinating with several entities to manage and deliver products and services in different sectors of Vermont's economy.

We thank the Public Utilities Commission for the opportunity to comment on this proceeding.

Sincerely,



Paul Zabriskie
Weatherization Director