

This document has been electronically filed using ePUC

STATE OF VERMONT
PUBLIC UTILITY COMMISSION

Case No. 19-3272-PET

Petition of Vermont Department of Public Service to open a proceeding to initiate an EEU Demand Resources Plan proceeding for the 2021-2023 performance period	
--	--

**DEPARTMENT OF PUBLIC SERVICE’S RESPONSE
TO VERMONT GAS SYSTEMS’ MOTION REQUESTING
PERMISSION TO ADDRESS THE ISSUE OF A PERFORMANCE INCENTIVE
MECHANISM IN THE NEXT DEMAND RESOURCE PLAN PROCEEDING**

On July 20, 2021, Vermont Gas Systems, Inc. (“VGS”) filed a Motion requesting that the Public Utility Commission “Commission” defer consideration of a performance incentive mechanism until the next Demand Resource Plan (“DRP”) proceeding. By the Commission’s Order approving VGS’s DRP dated October 20, 2020, the Commission had requested that VGS file a proposed performance incentive mechanism for the Commission’s consideration by July 22, 2021. As stated in VGS’s Motion, the Department of Public Service (“Department”) has been in discussions with VGS regarding a potential performance award mechanism and the parties have been unable to agree upon an appropriate incentive mechanism. The Department agrees with VGS that it would be appropriate to defer consideration of formulating a performance incentive mechanism until the next DRP commences. Therefore, the Department supports VGS’s Motion.

Dated at Montpelier, Vermont this 20th day of July, 2021.

VERMONT DEPARTMENT OF PUBLIC
SERVICE

By: /s/ Megan Ludwig
Megan Ludwig
Special Counsel
Department of Public Service
112 State Street
Montpelier, VT 05620
Megan.ludwig@vermont.gov

Attachment A

Department's Initiative Summary for 2018-2020 EEC Carryover Recommendations

Act 151 Evaluation Plan and Budget Proposal for Efficiency Vermont and City of Burlington Electric Department

Proposed \$100,000 EEC Carryover to Department

The Commission's Rule 4.400 section "Part III: Tier III" establishes EM&V impact evaluation standards and methods for the Distribution Utility energy saving claims for Tier III Energy Transformation Projects. The proposed Act 151 initiatives are intended to enhance and support the Tier III projects but not claim savings for them. As a result, the Act 151 transportation initiatives proposed by Efficiency Vermont and City of Burlington Electric Department are best characterized as market transformation initiatives. Further, from an evaluation perspective, the Act 151 initiatives should be evaluated more like EEU Development and Support Services which are not subject to quantifying energy savings through impact evaluation. Therefore, the Department proposes its Act 151 EM&V efforts largely be focused on process evaluation and an in-house review to ensure Act 151 initiatives were implemented by EEUs according to their Commission approved plans.

The Department proposes the methods below for evaluating Efficiency Vermont's proposed Act 151 initiatives. The Department proposes these methods be integrated into currently planned and ongoing EEU and DU Tier III EM&V executed by the DPS and its contractors. Totals below sum to \$100,000 reflecting the request to reallocate Efficiency Vermont EEC carryover funds from the 2018-2020 performance period. The proposal below is applicable to both Efficiency Vermont and BED's proposed Act 151 plans (if approved, BED's proposed \$15K in case 19-3272-PET would be additional and applied proportionately by task).

Transportation

1. In-house review to ensure that initiatives were implemented according to approved plans (DPS in-house staff \$5K)
2. Process evaluation, interviews with dealers and customers (DPS in-house staff \$5K, contractor interviews \$65K)
 - a. Portion of interviews dedicated to estimate effect of EEUs intervening in the market

Weatherization/ Heating Electrification

3. Impact and process evaluation in accordance with EEU and DU agreements for claiming electric and thermal savings
 - a. EEU Electric side: integrated into current DPS plans to evaluate EEU Home Performance with Energy Star program (DPS in-house staff \$5K, contractor support \$20K)
 - b. Distribution Utility Thermal side: integrated into DPS intention to evaluate Tier III Energy Transformation Projects Per PUC Rule 4.400, with a proposal expected to come before the PUC in 2021