

Via ePUC

August 04, 2023

Ms. Holly Anderson, Clerk
Vermont Public Utility Commission
112 State Street, 4th Floor
Montpelier, VT 05620-2071

VPPSA Response to Request for Comment
Case No. 23-2221-INV
Investigation into the Clean Heat Standard Default Delivery Agent Costs
and Quantities

On May 11, 2023, Act 18 (the Affordable Heat Act) became law. The Act established a framework for the Clean Heat Standard, which is intended to achieve greenhouse gas reductions in Vermont's thermal sector to meet the requirements of the Global Warming Solutions Act of 2020. Act 18 directs the Vermont Public Utility Commission ("Commission") to appoint one or more statewide "default delivery agents" (DDAs) to provide services that reduce greenhouse gas emissions from the thermal sector.¹

On June 30th, 2023, the Commission opened Case No. 23-2221-INV to initiate its proceeding pursuant to 30 V.S.A. § 8125(e)(1) to "establish the default delivery agent credit cost or costs and the quantity of credits to be generated for the subsequent three-year period" and directly related matters. Most obligated parties are likely to use a default delivery agent under a potential Clean Heat Standard (CHS).² In

¹ Per Act 18 § 8125(a) and § 8125(b)

² Per Act 18. § 8125(e)(1)

its Opening Order, the Commission requested comments from interested parties relating to its investigation into DDA credits, costs, and volume of credits required to achieve the CHS goals and objectives.

The Vermont Public Power Supply Authority (VPPSA) appreciates the opportunity to comment and submits the following response on behalf of its eleven (11) municipally owned electric distribution utility members as it relates to the Clean Heat Standard Default Delivery Agent Costs and Quantities.

Comments from stakeholders and members of the public as to the scope and process to be followed in this proceeding.

As noted in its comments under Case No. 23-2220-RULE,³ VPPSA encourages the Commission to develop a proceeding that maximizes public engagement and key stakeholder input as much as possible. VPPSA recognizes and appreciates the potential for this proceeding to centralize information to increase efficiency and transparency surrounding the Clean Heat Standard. Given the complexity of this rulemaking proceeding and the potential cost implications for consumers across all classes and sectors, we recommend that, in addition to a traditional workshop process, the Commission develop a complementary, but separate, public engagement strategy to communicate as much as possible about the development progress to a broader and more diverse audience that may not have the means to engage in a traditional rulemaking proceeding. We recommend that this public engagement occurs across a

³ Case No. 23-2220-RULE Proceeding to Design the Potential Clean Heat Standard

variety of platforms and venues – including a centralized web or digital platform in addition to in-person or virtual events – to engage both critical stakeholders and the broader public.

As VPPSA has previously expressed in other Commission proceedings, key priorities to be considered in the scope of any rulemaking are (1) maintaining affordability during the State’s energy transition for all customers classes and sectors, (2) preventing cost-shifting, and (3) enhancing distribution system resiliency and reliability remain. For this reason, VPPSA advocates for the development of a proceeding that prioritizes regional or localized approaches establishing the economic framework and overall structures for DDA’s to support the diversity of stakeholders the CHS and this investigative proceeding will impact. Vermont is fortunate to be home to a geographically, economically, and demographically diverse population which varies greatly between different regions of the state. VPPSA encourages the Commission to consider the importance of that diversity and ensure that these differences are a strength to the State; to recognize that a single Default Delivery Agent based in one region of the state may not have the community context necessary to maximize energy democracy, equity, local decision-making authority, and unquestionable accountability to the communities it serves.

Act 18 defines a Default Delivery Agent as “an entity designated by the Commission to provide services that generate clean heat measures.” VPPSA urges the Commission, through the scope of this investigative proceeding to establish detailed

definitions that foster full transparency and eliminates any potential ambiguity of interpretation for stakeholders or Obligated Parties. Clarity around the definition and eligibility for entities acting as a Default Delivery Agent, the number of possible DDAs, the criteria under which the Commission shall evaluate and appoint DDAs, as well as the DDAs overall obligations and requirements contributes to the most meaningful analysis to establish DDA credits and costs as defined in this investigative proceeding.

Comments on whether there are other matters from Act 18 that are appropriately addressed within the scope of this proceeding rather than in Case No. 23-2220-RULE, or perhaps another proceeding.

At this time, VPPSA has no substantive comments on other matters from Act 18 that are appropriately addressed within the scope of this proceeding rather than in Case No. 23-2220-RULE. As also noted in VPPSA's comments under the rulemaking proceeding, as these proceedings continue VPPSA recommends, in addition to the traditional workshop process, the Commission develop a complementary, but separate, public engagement process to communicate as much as possible about the potential Standard's development to a broader and more diverse audience that may not have the means to engage in a traditional rulemaking proceeding. We recommend that this public engagement occurs across a variety of platforms and venues - including a centralized web or digital platform in addition to in-person or virtual events - to engage both critical stakeholders and the broader public. VPPSA also recommends

that, across this process, posting orders on some type of website or online platform will enhance transparency, rather than relying solely on ePUC's case party notifications. Depending on how the Standard is structured, customers across the state could face significantly higher energy burdens and there should be ample opportunities to voice their perspectives through a robust public engagement process. This should include a centralized information hub (i.e. website), regular public press releases, and opportunities for active public engagement such as public forums.

Comments on whether the Commission should follow any contested-case-like procedures for this proceeding.

VPPSA recognizes the potential benefits of following contested-case-like procedures for this proceeding due to the significant impact any cost pressures may have on Vermont residents and encourages the Commission to consider what procedures would be most appropriate for this investigation. Ultimately, VPPSA continues to recommend robust engagement and inclusivity throughout both the investigative and rulemaking proceedings to ensure transparency and adequate opportunity for public and stakeholder participation.

Thank you for the opportunity to engage more deeply in the Commission's investigative proceeding and submit VPPSA's response. If you have any questions or seek further clarification, please don't hesitate to contact me.

Respectfully,

/s/

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