



January 19, 2024

Holly R. Anderson
Clerk of the Commission
112 State Street
Montpelier, VT 05620-2701

Re: Proceeding to design the potential Clean Heat Standard, Case No. 23-2221-INV.

Dear Ms. Anderson:

On behalf of the Vermont Fuel Dealer's Association (VFDA) and the Heating and Cooling Contractors of Vermont (HCCV), I submit the following comments to the Vermont Public Utility Commission's (PUC) in response to its request for comments on the number and scope of Default Delivery Agents (DDAs) and their respective obligations and responsibilities.

It is noted at the outset that some parties have made the erroneous assumption that obligated parties are likely to use a default delivery agent under a potential Clean Heat Standard. VFDA and HCCV represent many obligated parties and credit generators. None of these entities are operating under this assumption and neither should the PUC. In fact, most obligated parties are incentivized to NOT use the default delivery agent under Act 18. All of the obligated parties can earn their own clean heat credits. Or they can buy or barter for credits without ever using the default delivery agent.

Accordingly, VFDA and HCCV believe the number and scope of responsibility for the DDA(s) should be limited to receiving, allocating, and accounting for any alternative compliance payments made by obligated parties who fail to earn, buy or barter for the credits necessary to comply with the Clean Heat Standard should the regulation pass by the Vermont Legislature and become law.

The policy objective underlying Act 18 was not to establish a funding mechanism for a thermal efficiency utility. If it were, the Legislature would have passed a simple per-gallon tax or fee on heating fuel (or raised existing ones) and directed the funds toward an efficient utility to achieve the same policy goals. Instead, the Legislature purposely designed this "Rube Goldberg" system to encourage the sale of renewable fuel and heating systems that lower greenhouse gas emissions. The contraption breaks down and the policy fails if obligated parties aren't allowed to meet their obligations independent of a default delivery agent. If this policy succeeds, the default delivery agent will be wholly unnecessary.

Thank you for this opportunity to provide comments.

Sincerely,

A handwritten signature in blue ink that reads "Matt Cota". The signature is written in a cursive, slightly slanted style.

Matt Cota

Meadow Hill, on behalf of VFDA and HCCV