

STATE OF VERMONT
PUBLIC UTILITY COMMISSION

Case No. 24-1493-PET

Efficiency Vermont’s request for a proceeding to review the effects of unanticipated Energy Efficiency Utility funding on quantifiable performance indicators, fees, and services, including the 2024-2026 Demand Resources Plan	
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Order entered: 06/12/2024

**ORDER APPROVING EFFICIENCY VERMONT’S SEPARATE MANAGEMENT OF ACTIVITIES
ASSOCIATED WITH UNANTICIPATED FUNDS**

In this Order, the Vermont Public Utility Commission (“Commission”) adopts the findings, conclusions, and recommendations made in the Hearing Officer’s proposal for decision.

PROPOSAL FOR DECISION

I. INTRODUCTION

On May 1, 2024, Efficiency Vermont filed a motion with the Commission requesting a proceeding to review the effects of unanticipated Energy Efficiency Utility (“EEU”) funding on its quantifiable performance indicators (“QPIs”), fees, and services.¹ Efficiency Vermont’s motion includes a request for it to manage separately the activities supported by the unanticipated funding from those activities supported by the energy efficiency charge or the thermal-energy-and-process-fuels (“TEPF”) budgets and a request that the Commission open a process to allow for proposed amendments to Efficiency Vermont’s Demand Resources Plan (“DRP”) for the 2024-2026 performance period to account for the unanticipated funding.

In this proposal for decision, I recommend that the Commission approve Efficiency Vermont’s request to manage separately the activities supported by the unanticipated funding from those activities supported by the energy efficiency charge or TEPF budgets.

¹ The Commission has appointed Vermont Energy Investment Corporation (“VEIC”) to provide statewide EEU services (known as “Efficiency Vermont”), except in the service territory of the City of Burlington Electric Department (“BED”) where BED serves as the appointed entity.

II. BACKGROUND AND PROCEDURAL HISTORY

Pursuant to Section I.2.C of the Process and Administration of an Energy Efficiency Utility Order of Appointment (the “Process and Administration document”), an EEU must notify the Commission and the Vermont Department of Public Service (“Department”) of any unanticipated additional funding that it secures and propose to the Commission a method by which the funding should affect QPIs, fees, and/or services to be provided by an EEU.² The Process and Administration document also provides that the Commission establish a process to review and determine the effects of the funding on the EEU’s QPIs, fees, and services.

In its motion, Efficiency Vermont provides notice that the State of Vermont through the Department entered into a contract with Efficiency Vermont for a total of \$25 million in federal American Rescue Plan Act (“ARPA”) funds for calendar years 2024 through 2026. The contract will provide funding and technical assistance to residential customers for weatherization projects. The contract provides for the delivery of service subject to a performance-based arrangement.

In its motion, Efficiency Vermont requests that the Commission conduct a two-step process. First, Efficiency Vermont requests that the Commission confirm that activities supported by the contract should be managed separately from activities supported by the energy efficiency charge or TEPF budgets. Second, Efficiency Vermont requests that the Commission review the effects of the ARPA funding on Efficiency Vermont’s QPIs, fees, and services. Efficiency Vermont recommends that the second step include an opportunity for Efficiency Vermont and the Department to identify proposed amendments to the TEPF services, budgets, and goals in Efficiency Vermont’s 2024-2026 DRP. To start the second step, Efficiency Vermont requests that participants submit proposed schedules no later than 30 days following the Commission’s Order on the first step.

The Commission adopted the two-step process in this proceeding. This proposal for decision concerns the first step. To make a decision in this first step, the Commission sought comment on whether the activities supported by the contract should be managed as separate activities from Efficiency Vermont’s approved DRP programs.

² The Process and Administration document was approved on December 27, 2022, in Case No. 22-1647-PET.

On May 22, 2022, the Department filed comments supporting Efficiency Vermont's separate management of activities associated with the ARPA-funding contract.

No other comments on the request were received by the Commission.

IV. DISCUSSION

As discussed below, I recommend that the Commission approve Efficiency Vermont's request to manage separately the activities associated with the ARPA-based contract for residential weatherization work from those activities supported by the energy efficiency charge or TEPF budgets.

The ARPA-funding contract includes spending restrictions and reporting requirements that necessitate segregating the ARPA accounting from the EEU funds administered by Efficiency Vermont. The ARPA funds under the contract will be significantly restricted compared to the use of EEU funds authorized under 30 V.S.A. § 209.³ The restrictions include a prohibition on providing incentives to households with greater than 120% area median income. In addition, the ARPA contract contains separate requirements for tracking and reporting the use and effect of the ARPA funds under reporting guidelines outlined by the Department and the State of Vermont.⁴

Efficiency Vermont states that it plans to track and report its ARPA-supported contract spending, projects, savings, and results using separate project identifiers and labor codes within its database. According to Efficiency Vermont, these efforts will ensure that the ARPA contract funds are not deployed to the pool of projects supported by TEPF and energy efficiency charge funds. The project identifiers allow Efficiency Vermont to separately evaluate ARPA-funded projects and to track results pursuant to reporting guidelines outlined by the Department and the State of Vermont.⁵ On a quarterly basis, Efficiency Vermont plans to report directly to the Department on the use and effect of contract funds toward the completion of projects. These reports include total housing units weatherized, energy savings, greenhouse gas emissions savings, total customers provided with weatherization technical assistance, and total home repair

³ Efficiency Vermont May 1 Motion at 3-4.

⁴ Efficiency Vermont May 1 Motion at 3-4.

⁵ Efficiency Vermont May 1 Motion at 4.

projects, by county and income bracket. Efficiency Vermont also plans to report ARPA spending on an annual and cumulative basis.⁶

I recommend that the Commission approve Efficiency Vermont's request to manage separately the activities associated with the ARPA-based contract for residential weatherization work. The separate management of activities is consistent with terms established under the contract by the Department and the State of Vermont.⁷ Further, VEIC's Order of Appointment and the Process and Administration document do not prohibit the separate management of energy efficiency activities by Efficiency Vermont.⁸

V. CONCLUSION

In this proposal for decision, I recommend that the Commission approve the separate treatment of ARPA-contract activities by Efficiency Vermont. The second step of this proceeding includes a process to review the effects of the ARPA funding on Efficiency Vermont's QPIs, fees, and services and allows for Efficiency Vermont and the Department to identify proposed amendments to the TEPF services, budgets, and goals in its 2024-2026 DRP. To start the second step, Efficiency Vermont must submit a proposed schedule no later than 30 days following today's Order on the first step.

This proposal for decision has not been circulated to the parties pursuant to 3 V.S.A. § 811 because the proposal for decision is not adverse to any party.

Mary Jo Krolewski

Mary Jo Krolewski
Hearing Officer

⁶ Efficiency Vermont May 1 Motion at 4-5.

⁷ Efficiency Vermont May 1 Motion at 3-5.


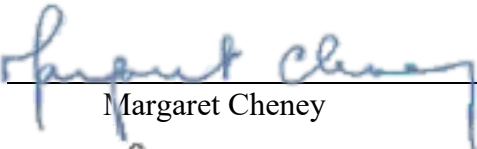
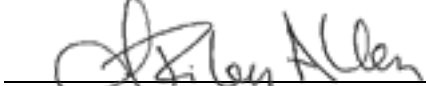
⁸ See Case No. 22-1647-PET, VEIC Order of Appointment, dated January 27, 2023, and the Process and Administration document, dated December 27, 2022.

VI. ORDER

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED by the Public Utility Commission (“Commission”) of the State of Vermont that:


1. The findings, conclusions, and recommendations of the Hearing Officer are adopted.
2. Within 30 days of the issuance of this Order, Efficiency Vermont must submit a proposed schedule for the second step of this proceeding that includes the review of the effects of American Rescue Plan Act funding on Efficiency Vermont’s quantifiable performance indicators, fees, and services and allows for Efficiency Vermont and the Vermont Department of Public Service to identify proposed amendments to the thermal-energy-and-process-fuels services, budgets, and goals in Efficiency Vermont’s Demand Resources Plan for the 2024-2026 performance period.

Dated at Montpelier, Vermont, this 12th day of June, 2024.

 _____)) PUBLIC UTILITY)) COMMISSION) OF VERMONT
Edward McNamara)	
_____)	
 _____)) COMMISSION)) OF VERMONT
Margaret Cheney)	
_____)	
 _____)) OF VERMONT
J. Riley Allen)	

OFFICE OF THE CLERK

Filed: **June 12, 2024**

Attest: 
_____)
Clerk of the Commission

Notice to Readers: This decision is subject to revision of technical errors. Readers are requested to notify the Clerk of the Commission (by e-mail, telephone, or in writing) of any apparent errors, in order that any necessary corrections may be made. (E-mail address: puc.clerk@vermont.gov)

Appeal of this decision to the Supreme Court of Vermont must be filed with the Clerk of the Commission within 30 days. Appeal will not stay the effect of this Order, absent further order by this Commission or appropriate action by the Supreme Court of Vermont. Motions for reconsideration or stay, if any, must be filed with the Clerk of the Commission within 28 days of the date of this decision and Order.

PUC Case No. 24-1493-PET - SERVICE LIST

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