STATE OF VERMONT
PUBLIC UTILITY COMMISSION

Case No. 24-2317-INV

Investigation of the Energy Savings Account
and Customer Credit programs pursuant to
30 V.S.A. Section 209(d)(3)(C)

VERMONT SKI AREA ASSOCIATION COMMENTS ON THE DEPARTMENT OF PUBLIC SERVICE'S PROPOSAL FOR PROGRAM DESIGN CHANGES FOR ENERGY SAVINGS ACCOUNT AND CUSTOMER CREDIT PROGRAMS

On behalf of the Vermont Ski Area Association ("VSAA"), and pursuant to the Public Utility Commission's ("PUC") scheduling order, please accept these comments in response to the Department of Public Services' ("DPS") proposed program design changes, filed on August 22, 2024.

As background, the VSAA has had several member ski areas as active participants in the Energy Savings Account ("ESA") Pilot program as well as the Energy Savings Account Partnership Pilot Program Working Group. In addition, the VSAA was active in the development of recently enacted Act 142 of 2024 that was the impetus to this investigation to update the ESA. To that end, we appreciate the timely manner in which the PUC has started this investigation, especially since the Pilot Program ended in December of 2023 and some of our members are eager to have the PUC update the programs and allow enrollment into the revised and improved ESA as soon as practicable.

Overall, the VSAA strongly supports the DPS' proposed program design changes as they represent significant improvements over the existing programs and are based on our collective experience with the Pilot Program. While there are still areas of disagreement as reflected in the DPS' Report to the General Assembly, dated January 15, 2023, the VSAA accepts the DPS proposal and offers the following comments and questions for consideration.

ESA Program Criteria (p.4) – The VSAA understands that the ESA program prioritizes electric efficiency measures and projects, however our understanding from the Report and discussions with DPS is that non-electric efficiency measures may be pursued if a participant has submitted an Energy Management Plan to the PUC explaining the need for such project and why it should be prioritized. The DPS proposal, perhaps in error, suggests that non-electric measures can be pursued "for those participants that may have exhausted cost-effective electric efficiency measures…." It is our understanding that a participant need not "exhaust" all electric efficiency measures before pursuing non-electric efficiency measures, but that such projects may be pursued following submission of an Energy Management Plan (after it is reviewed by the EEU and the DPS) explaining the need for the projects, the estimated electric and other energy and non-energy benefits, the expected cost, and if all electric efficiency measures in the energy audit have not been completed, why the project is being prioritized by the applicant.

ESA Application and Enrollment Periods (pp. 7-8) – DPS has proposed a three-year cycle for the ESA program to align with the EEU three-year budget and goal setting process. While some ESA Pilot participants had proposed the flexibility to enroll on an annual basis, we understand the administrative reasons for the DPS proposal and support it. In order to now expedite enrollment in the ESA program, DPS is proposing a January 2025 enrollment period that would then extend through the following performance period and end in December 2029. This is because the EEU is in the middle of a performance period with the next one not beginning until January 2027 and waiting until 2027 would unnecessarily delay participant enrollment in the ESA program. Therefore, we strongly support the DPS proposal to open up enrollment in January 2025 and to extend the performance period through December 2029.

The subsequent issue for consideration is that the first full enrollment period would then be 2030-2032. Does this mean that any new participants (not previously enrolled in the ESA Pilot) would not be permitted to apply and enroll until 2030? If that is accurate a compromise should be found to allow for some entry for the 2027 cycle. We do support the DPS' proposal that any ESA Pilot participants be given automatic approval for the new program with a simplified application process. However, it is very likely that not all prior ESA Pilot participants will enroll in the new program or that it will be undersubscribed and therefore there will be room for new entrants in the ESA. Waiting until the 2030 cycle for new entrants seems excessively long and not the most beneficial implementation of the ESA program. A possible compromise could be to allow ESA Pilot participants automatic entry into the ESA program in 2025 and then assess the additional capacity of the ESA program and allow for additional new applicants in 2027 to utilize that capacity.

The VSAA greatly appreciates the very long and involved process that the DPS, EEU, and Pilot Participants have been through to reach this point of making revisions and updates to the existing ESA program. This program facilitates the design and implementation of larger scale energy efficiency projects by some of Vermont's largest energy users in rural areas of the state. To date, several of our members have successfully utilized the ESA Pilot program. The reimbursement process allows these companies to plan further into the future and leverage greater internal company resources to tackle meaningful projects that otherwise might not be pursued. In the grand scheme of the EEU budget, these programs are very small, but for the participating companies they are very important and will help Vermont and these key employers reach our greenhouse reduction goals.

Dated at Montpelier, Vermont this 11th day of September, 2024

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