

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)

**PREFILED TESTIMONY OF
DAVID C. WESTMAN
ON BEHALF OF EFFICIENCY VERMONT**

September 13, 2024

In this testimony Witness Westman describes and summarizes Efficiency Vermont’s proposed amendments to its approved 2024-2026 Demand Resources Plan (“DRP”). The testimony also introduces the Efficiency Vermont witnesses, describes their roles in the presentation of the Amendment’s details, and sponsors amended DRP performance metrics and budgets.

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I. INTRODUCTION

1 **Q. Please state your name, business address and occupation.**

2 **A.** My name is David C. Westman. I am employed as Director, Regulatory and State
3 Agency Affairs of Efficiency Vermont, Vermont’s statewide energy efficiency utility
4 (“EEU”). My business address is 20 Winooski Falls Way, 5th Floor, Winooski,
5 Vermont, 05404.

6 **Q. Please describe your education, background and experience.**

7 **A.** I have a Masters of Public Administration in Environmental Science and Policy from
8 Columbia University, and a BA in Earth and Environmental Science from Wesleyan
9 University. I have been working in the utility and environmental sector for over two
10 decades, where I have worked on sustainability programs, greenhouse gas reporting, and
11 energy efficiency and demand management programs. I have been employed by
12 Efficiency Vermont in my current position for approximately nine years.

13

1 **Q. What are your responsibilities at Efficiency Vermont?**

2 **A.** In my capacity as Director, Regulatory and State Agency Affairs my responsibilities at
3 Efficiency Vermont include representing program design decisions and administration of
4 Efficiency Vermont to Vermont’s regulators at the Public Utility Commission
5 (“Commission” or “PUC”) and Department of Public Service (“Department” or “DPS”). I
6 also help to coordinate Efficiency Vermont’s grants and program coordination with the
7 State of Vermont, and represent Efficiency Vermont at the Vermont System Planning
8 Committee, and at the New England Power Pool committees.

9 **Q. Have you previously testified before the Commission?**

10 **A.** Yes, I previously provided testimony before the commission in Case Nos. 19-0397-PET
11 and 21-2436-PET concerning the establishment of EEU screening values, Case No. 21-
12 1500-PET the most recent EEU Overall Performance Assessment, and Case Nos. 19-
13 3272-PET and 22-2954-PET the prior Demand Resources Plan Proceedings (“DRPPs”).

14 **Q. What is the purpose of your testimony?**

15 **A.** The purpose of my testimony is to introduce Efficiency Vermont’s proposed amendment
16 to its approved Demand Resources Plan (“DRP”) (the “DRP Amendment Proposal” or
17 “Amendment”). I also introduce Efficiency Vermont’s supporting witnesses and their
18 testimonies, and sponsor testimony seeking Commission review and approval for
19 Efficiency Vermont’s proposed amended Performance Compensation and Budget Tables,
20 Exhibits EVT-DW-1 and EVT-DW-2.

1 **Q. Do you sponsor any exhibits?**

2 **A.** Yes I do. Appended to my testimony as Exhibit EVT-DW-1 is Efficiency Vermont’s
3 Amended Performance Compensation Tables, and Exhibit EVT-DW-2, Efficiency
4 Vermont’s Amended 2024-2026 Budgets.

II. SUMMARY

5 **Q. Please summarize your testimony.**

6 **A.** This case was opened by the Commission to consider amendments to Efficiency
7 Vermont’s approved 2024-2026 Demand Resources Plan (the “DRP”) that arise on
8 account of Efficiency Vermont’s entry into a contract with the Vermont Department of
9 Public Service for a total of \$25 million in federal American Rescue Plan Act (“ARPA”)
10 funds for calendar years 2024 through 2026 (the “Contract” or “Contract No. 47391”) to
11 be used for the delivery of incremental efficiency services.¹ As a part of the presentation
12 of the impacts of the ARPA Contract funding on Efficiency Vermont’s DRP Thermal
13 Energy and Process Fuels (“TEPF”) portfolio, Efficiency Vermont also updated its TEPF
14 revenue forecast for the 2024 to 2026 performance period to take into account
15 information concerning the revenues actualized since the 2024-2026 DRP was considered
16 and approved in Case No. 22-2954-PET. By Order issued July 24, 2024 in Case No. 24-

¹ Please note that copies of State of Vermont Contract Nos. 43791A and 47391 Amendment # 1 (together Contract No. 47391), entered into by Vermont Energy Investment Corporation (“VEIC”) as the administrator of Efficiency Vermont and the Department, were included with Efficiency Vermont’s May 1, 2024 Notice as Attachments 1 and 2. Also be advised that that Contract No. 43791 bears the wrong State number which was corrected to Contract No. 47391 via the amendment.

1 1493-PET, the Commission determined that this case would review the effects of
2 unanticipated EEU funding on Efficiency Vermont’s quantifiable performance indicators
3 (“QPIs”), fees, and services, and both related and unrelated amendments to the DRP for
4 the 2024-2026 performance period.

5 My testimony describes Efficiency Vermont’s DRP Amendment that seeks
6 approval for changes to its statewide TEPF efficiency services for the 2024-2026
7 performance period. Efficiency Vermont’s testimony and exhibits present the individual
8 elements of the Amendment and explain how the proposal alters the DRP approved
9 and/or accepted by the Commission in Case No. 22-2954-PET (the “Approved DRP”).

10 As the Commission is aware, Efficiency Vermont’s Approved DRP was initially
11 promulgated by Orders issued on September 26, 2023, January 10, 2024, and July 8,
12 2024 in Case No. 22-2954-PET. These Orders approve and accept Efficiency Vermont’s
13 proposed DRP Update for the 2024 to 2026 performance period including its amendment
14 to implement the authority conferred under Vermont Public Act No. 44 (2023 Vt. Bien.
15 Sess.) which allows for the use of electric energy efficiency charge funds for the
16 implementation of greenhouse gas emission reduction programs.²

17 Pursuant to Section I.2.C of the *Process and Administration of an Energy*

² Act No. 44, *An act relating to energy efficiency modernization*, was enacted by the Vermont General Assembly and signed into law on June 1, 2023 (“EEMA”). See also Act No. 142, *An act relating to miscellaneous changes related to the Public Utility Commission*, as enacted by the Vermont General Assembly and signed into law on May 30, 2024.

1 *Efficiency Utility Order of Appointment* (the “P&A Document”),³ “[a]n EEU shall notify
2 the Commission and the Department of any Unanticipated Additional Funding that it
3 secures.”⁴ Section I.2.C(b) continues that:

4 If any individual source of Unanticipated Additional Funding acquired by
5 an EEU is to be used to perform activities within the scope of its Order of
6 Appointment and is equal to or greater than \$100,000, then an EEU shall
7 propose to the Commission a method, if any, by which the Unanticipated
8 Additional Funding should affect QPIs, fees, and/or services to be
9 provided by an EEU.

10 Id. On May 1, 2024 Efficiency Vermont served notice of its receipt of Unanticipated
11 Additional Funding pursuant to its ARPA-funded Contract with the DPS, and requested
12 that the Commission confirm the process and establish a schedule for assessing the
13 method by which this funding affects the approved QPIs, fees and services through the
14 review of the proposed DRP Amendment. This testimony and the supporting materials
15 also filed in this case are being presented in order for the Commission to approve
16 Efficiency Vermont’s Amended Performance Compensation Table and Amended DRP
17 Budget Table as presented in Exhibits EVT-DW-1 and EVT-DW-2.

18 Efficiency Vermont believes that its supporting information provides the
19 Commission the information necessary for it to find that the proposed DRP Amendment
20 will be beneficial to the ratepayers where Efficiency Vermont provides statewide EEU
21 services and should be approved in accordance with 30 V.S.A. §§ 209(d)(1) and 218c.

³ See *Process and Administration of an Energy Efficiency Utility Order of Appointment*, approved by the Commission on December 27, 2022 in Case No. 22-1647-PET.

⁴ Pursuant to Section VI.35 of the P&A Document, the term “Unanticipated Additional Funding means any funding secured by an EEU in addition to Commission-ordered budgets to support EEU implementation.”

1 **Q. How is the supporting testimony for Efficiency Vermont’s proposed DRP**
2 **Amendment organized?**

3 **A.** Efficiency Vermont’s testimony in support of the approval of its proposed DRP Amendment is
4 organized as follows:

| 5 | <u>Witness</u> | <u>Subject Matter of Testimony</u> |
|----|----------------|--|
| 6 | David Westman | Witness Westman’s testimony describes and |
| 7 | | summarizes Efficiency Vermont’s proposed |
| 8 | | amendments to its approved 2024-2026 DRP. The |
| 9 | | testimony also introduces the Efficiency Vermont |
| 10 | | witnesses, describes their roles in the presentation |
| 11 | | of the Amendment’s details, and sponsors amended |
| 12 | | DRP performance metrics and budgets. |
| 13 | Haley Roe | Witness Roe’s testimony describes Efficiency |
| 14 | | Vermont’s updated TEPF revenue forecast. This |
| 15 | | forecast is used in Efficiency Vermont’s Amended |
| 16 | | 2024-2033 TEPF Budget Table in Exhibit EVT- |
| 17 | | DW-2. |
| 18 | Jay Pilliod | Witness Pilliod’s testimony sponsors Efficiency |
| 19 | | Vermont’s Amended 2024-2033 TEPF DRP Model. |
| 20 | | This testimony also describes the amended TEPF |
| 21 | | resource acquisition (“RA”) modeling assumptions, |
| 22 | | methodology, and results to inform the |
| 23 | | Commission’s review and approval of proposed |
| 24 | | amended TEPF budgets and performance metrics |
| 25 | | for the 2024-2026 performance period. Witness |
| 26 | | Pilliod also explains how the remodeling of the |
| 27 | | approved TEPF portfolio addresses Efficiency |
| 28 | | Vermont’s receipt of \$25 million of incremental |
| 29 | | ARPA funding for weatherization and efficiency |
| 30 | | activities. Work performed by Witness Pilliod |
| 31 | | informs Efficiency Vermont’s proposed amended |
| 32 | | performance metrics and compensation. |

III. DISCUSSION

1. SUMMARY OF EFFICIENCY VERMONT’S DRP AMENDMENT.

1 **Q. Please describe Efficiency Vermont’s proposed DRP Amendment.**

2 **A.** Efficiency Vermont’s proposed DRP Amendment makes adjustments to its approved
3 DRP to take into account an updated larger TEPF budget in addition to the impacts on the
4 TEPF portfolio attributable to Efficiency Vermont’s implementation of its obligations
5 under Contract No. 47391 which provides \$25 million of funding for the delivery of
6 incremental efficiency services in the 2024-2026 performance period. While the ARPA-
7 funded activities themselves are not a part of the Amendment and are being treated
8 separately from the services provided under the DRP in accordance with the
9 Commission’s Case No. 24-1493-PET Order of June 12, 2024, the impact of those
10 services has required that Efficiency Vermont update its DRP TEPF Model and propose
11 new performance metrics and budget tables. Together these elements comprise the
12 proposed DRP Amendment. The proposed DRP Amendment is designed to continue to
13 provide for the delivery of TEPF programs and services as called for under 30 V.S.A. §
14 209(d)(2)(B) within the service areas of the Distribution Utilities (“DUs”) where
15 Efficiency Vermont serves as the statewide EEU during the 2024-2026 performance
16 period.

17 **Q. Did Efficiency Vermont consult with the Department of Public Service as it**
18 **developed the elements that comprise its proposed DRP Amendment?**

19 **A.** Yes, Efficiency Vermont consulted with representatives of the Department as it

1 developed its proposed DRP Amendment. Witness Pilliod describes how Efficiency
2 Vermont took DPS input into account in the development of the DRP Amendment
3 proposal.⁵

4 **Q. What are the key programmatic changes to the delivery of TEPF services proposed**
5 **under the DRP Amendment?**

6 **A.** The key programmatic changes to Efficiency Vermont’s approved TEPF DRP called for
7 under the Amendment are:

- 8 ▪ an approximately \$2.5 million increase in the 2024-2026 TEPF budget;
- 9 ▪ a shift of most TEPF weatherization customer incentives to include only
10 those for market-rate households except:
 - 11 ○ 100 low and moderate income (“LMI”) projects in 2024 that were
12 installed prior to ARPA Contract No. 47391 eligibility; and
 - 13 ○ An estimated 10 LMI projects per year in 2025 and 2026 that will
14 not be eligible for ARPA Contract No. 47391 funding and be
15 covered by TEPF program funding;
- 16 ▪ an increase in customer and trade ally per project incentive levels
17 compared to the incentive levels included in the Baseline DRP model filed
18 December 9, 2022 in Case No. 22-2954-PET;
- 19 ▪ an increase of approximately \$1 million in the Home Performance with
20 Energy Star (“HPwES”) Program budget over the 2024-2026 performance
21 period to account for incentive and project quantity changes compared to
22 the Baseline DRP model;
- 23 ▪ the use of approximately \$300,000 to support flood recovery programs
24 and services in 2024 as a continuation of the program launched in 2023,
25 with an estimated \$250k of funding is anticipated to serve commercial and
26 industrial (“C&I”) customers;

⁵ See Case No. 24-1493-PET, Pilliod *pf.* of 9/13/2024.

- 1 ▪ the use of \$300k/yr in 2025 and 2026 for Workforce Development
2 (“WFD”) Initiatives;
- 3 ▪ recognition that an increase in TEPF funds increases the TEPF portion of
4 Development and Support Services (“DSS”) budget by approximately
5 \$150k over the 2024-2026 performance period;⁶ and
- 6 ▪ recognition that an increase in the TEPF budget increases the potential
7 VEIC compensation award by a total of approximately \$130k over the
8 2024-2026 performance period (5% of additional budget).

9 Taken together, these elements comprise Efficiency Vermont’s proposed DRP
10 Amendment.

11 **Q. Does the Amendment include proposed changes to the electric RA budget?**

12 **A.** No, the changes called for pursuant to the DRP Amendment are limited to Efficiency
13 Vermont’s approved TEPF RA budget and do not impact the electric RA budget. Because
14 the total TEPF budget is increased, the electric-TEPF budget split for DSS costs changes,
15 which results in a relatively small change to the electric non-RA budget. Updated budgets
16 resulting from this amendment are detailed in Exhibit EVT-DW-2.

17 **Q. Is Efficiency Vermont proposing any changes to its new construction programs as a
18 part of the DRP Amendment?**

19 **A.** No, Efficiency Vermont is not proposing changes to its new construction programs at this
20 time. By way of update, Efficiency Vermont has advanced a proposal on the future of the
21 new construction programs that would include savings claims before the Technical

⁶ See Exhibit EVT-DW-2.

1 Advisory Group (“TAG”), that is currently being considered by the TAG.⁷ If a new
2 proposal can be worked out with stakeholders, including the Department, Efficiency
3 Vermont will include the proposal in its next DRP filing or otherwise work with
4 stakeholders and the Department if a change to programing can be made prior to the next
5 performance period. Because new construction programs are funded exclusively from
6 Efficiency Vermont’s electric portfolio, future changes would be reflected in the electric
7 portfolio and not in the TEPF portfolio.

8 **Q. Does Efficiency Vermont’s DRP Amendment include any updates to address**
9 **changes in the Energy Savings Accounts (“ESA”) program?**

10 **A.** No, at this time Efficiency Vermont is not proposing changes to its DRP to address
11 updates to the ESA program. The ESA program is undergoing updates as part of Case
12 No. 24-2317-INV. There is insufficient information available at this time to make any
13 meaningful changes to the modeling assumptions included in the baseline electric DRP
14 related to the ESA Program for 2024-2026. The ESA Pilot program was originally
15 anticipated to complete by the end of 2023 but has \$2,875,389 of carryover funds

⁷ Note that in his February 23, 2023 prefiled testimony in Case No. 22-2954-PET DPS Witness Cotterill explained that:

...a new concept the Department is currently evaluating to increase energy code compliance in the new construction market. As the Commission may be aware, new construction building energy codes are increasingly rigorous with each update cycle. The increased rigor and Vermont’s lack of an enforcement mechanism has created a deficit in building energy code compliance in the marketplace. The Department is re-evaluating its longstanding position on disallowing the EEU’s to claim energy savings for boosting code compliance in the new construction market.

Id. at 9. This is the program concept being considered by TAG but it remains a work in progress as of this time.

1 available as of January 2024. Exhibit EVT-DW-2 includes this carryover in the amended
2 budgets for 2024-2026.

3 **Q. Has Efficiency Vermont updated its indirect rate that is used to allocate costs to its**
4 **various programs and initiatives?**

5 **A.** Yes, as explained by Witness Myers in her Case No. 22-2954-PET testimony,⁸ Efficiency
6 Vermont undertook steps to develop a new process to assign indirect costs to its various
7 programs and initiatives. The new approach was developed in order to find a more
8 equitable method for assigning indirect costs to Efficiency Vermont’s programs and
9 activities. Also as explained in the DRPP, the indirect rates used in Efficiency Vermont’s
10 DRP Update proposal were a proxy for the assessed indirect charge in the 2024-2026
11 performance period.⁹ While Efficiency Vermont has now updated the indirect cost
12 recovery methodology, the changes that result are expected to be modest. Moreover, any
13 cost savings that may result from the updated indirect cost recovery methodology are
14 considered to be administrative efficiency improvements and would be reflected in
15 performance against electric QPI #8, Administrative Efficiency. As a result, the DRP
16 Amendment proposal does not contain changes attributable to the change in Efficiency
17 Vermont’s indirect cost recovery methodology.

⁸ See Case No. 22-2954-PET, Myers *pf.* of 12/9/2022 at 11-12.

⁹ Id.

1 **Q. What are the specific deliverables that Efficiency Vermont seeks approval for in this**
2 **proceeding?**

3 **A.** As called for under Section II.4 of the *Process and Administration* Document, Efficiency
4 Vermont’s proposed DRP Amendment includes the following elements:

- 5 (a) updated year-by-year RGGI and FCM revenue forecasts;
- 6 (b) amended Year-by-year Efficiency Vermont TEPF budgets;
- 7 (c) amended Efficiency Vermont expected TEPF savings;
- 8 (d) proposed Efficiency Vermont QPIs, MPRs, and compensation for its
9 proposed amended TEPF RA activities;
- 10 (e) Year-by-year electric and TEPF budget splits for Efficiency Vermont’s
11 DSS activities; and
- 12 (f) Descriptions of the TEPF services to be provided by Efficiency
13 Vermont over the forecast periods.

14 Given the nature of Efficiency Vermont’s request, the approvals would represent
15 updates to the TEPF DRP elements approved by the Commission in Case No. 22-
16 2954-PET.

2. EFFICIENCY VERMONT’S AMENDED TEPF PORTFOLIO
MODELING RESULTS.

17 **Q. Please describe Efficiency Vermont’s process for remodeling its TEPF portfolio of**
18 **efficiency programs and services to develop the proposed DRP Amendment.**

19 **A.** Witness Pilliod submits prefiled testimony and a comprehensive narrative in Exhibit
20 EVT-JP-1 to explain in detail the methodology and process of building Efficiency

1 Vermont’s amended 10-year TEPF efficiency resource acquisition model.

2 **Q. Was Efficiency Vermont’s TEPF portfolio modeling performed in a manner**
3 **consistent with the practice employed to develop its Prior DRP?**

4 **A.** Yes, Efficiency Vermont followed the same modeling techniques as it has employed in
5 past DRP proceedings to model the expected performance of its proposed TEPF
6 programs and services. Witness Pilliod describes these techniques in detail and identifies
7 modifications incorporated into the TEPF model for this Amendment. As explained by
8 Witness Pilliod, the assumptions used to model the TEPF RA efficiency portfolio
9 proposal were updated, as necessary, to assure that Efficiency Vermont relied upon the
10 best available information for such purposes.

11 **Q. Are the results of Efficiency Vermont’s amended TEPF modeling consistent with**
12 **the statutory requirements of 30 V.S.A. § 209(d)(3)(B) for the approval of energy**
13 **efficiency budgets?**

14 **A.** Yes, for the same reasons I explained in my Case Nos. 22-2954-PET and 19-3272-PET
15 testimony, Efficiency Vermont believes the results of its TEPF DRP modeling are
16 consistent with the requirements of Section 209(d)(3)(B).¹⁰

17 **Q. Are the programs and services included in Efficiency Vermont’s TEPF DRP**
18 **Amendment proposal societally cost-effective?**

19 **A.** Yes. The results of Efficiency Vermont’s TEPF programs and services called for under

¹⁰ See Case No. 22-2954-PET, Westman *pf.* of 12/9/22 at 6-8 and 19; and Case No. 19-3272-PET, Westman *pf.* of 12/13/19 at 18.

1 its proposed DRP Amendment have been modeled and are determined to be societally
2 cost-effective based on application of the Vermont state screening tool, updated with the
3 most recently approved avoided costs and screening values in Case No. 21-2436-PET and
4 should be found to satisfy the test for the delivery of least cost efficiency services as
5 described in 30 V.S.A. § 218c(a)(1).

3. EFFICIENCY VERMONT’S WORKFORCE DEVELOPMENT PROPOSAL

6 **Q. Please describe Efficiency Vermont’s workforce development proposal that is**
7 **included in the proposed DRP Amendment.**

8 **A.** Efficiency Vermont has a strong need to support workforce development efforts in order
9 to build capacity to deliver the TEPF weatherization and efficiency program measures
10 called for pursuant to Efficiency Vermont’s proposed DRP Amendment in addition to the
11 programs and services included in ARPA Contract No. 47391. To aid in this effort,
12 Efficiency Vermont in consultation with the Department has identified a proposed budget
13 of \$600,000 in incremental TEPF efficiency resource acquisition funds to be devoted to
14 workforce development efforts in 2025-2026. Efficiency Vermont understands that the
15 Department is developing a request for proposals (“RFP”) to solicit bids to support
16 workforce development efforts in Vermont. While Efficiency Vermont is not privy to the
17 RFP terms to be promulgated by the DPS, it is Efficiency Vermont’s understanding that
18 there are limits and requirements affecting the use of the funding to be disbursed by the
19 DPS under its RFP. Accordingly, Efficiency Vermont proposes to use TEPF funding to

1 fill gaps in funding, and where it is not duplicative of the efforts of the DPS' RFP
2 recipients, maximize the reach of the workforce development activities being undertaken
3 in Vermont. Accordingly, Efficiency Vermont proposes to take a flexible approach that
4 will allow it to partner with stakeholders in order to help build additional capability to
5 serve the needs of customers and the Vermont economy. The specifics of Efficiency
6 Vermont's workforce development activities will be included in its 2025 Triennial Plan
7 Update, that will be developed after the Commission's review of the Amendment and
8 issuance of the Department's RFP.

9 **Q. Is Efficiency Vermont's ability to deliver programs and measures impacted by**
10 **Vermont's efficiency contractor capacity limitations?**

11 **A.** Yes, Efficiency Vermont can confirm that a significant barrier to the delivery of EEU
12 programs and services in Vermont is a shortage of well-trained contractors and
13 technicians with the capability to implement weatherization and efficiency technologies.
14 Since it is the goal of the EEU to assist customers to implement cost-effective
15 technologies in their homes and businesses, Efficiency Vermont relies on the knowledge,
16 skills, and availability of a robust contractor network in the state to achieve this goal. The
17 shortage of weatherization and other efficiency contractors in Vermont impacts
18 Efficiency Vermont's ability to successfully deliver its programs and services.

19 **Q. What does Efficiency Vermont propose to do in the 2024-2026 performance period**
20 **to help to increase capacity to implement weatherization and efficiency**
21 **technologies?**

1 **A.** To help increase Vermont’s capability to perform weatherization and efficiency projects,
2 Efficiency Vermont proposes to devote \$600,000 of incremental TEPF funds towards the
3 continuation of workforce development initiatives in 2025-2026 to complement the
4 efforts being undertaken by other stakeholders, including the Department.

5 **Q.** **Will Efficiency Vermont’s proposed workforce development program conflict with**
6 **or be duplicative of other similar initiatives being offered in Vermont?**

7 **A.** No, it is not Efficiency Vermont’s intent that its proposed workforce development
8 program be in conflict with or be duplicative of any other similar initiatives being offered
9 in Vermont. This includes the efforts to be undertaken by the Department through its
10 upcoming RFP.

11 **Q.** **How will Efficiency Vermont assure that its workforce development initiative fills**
12 **gaps and supports the efforts being planned and implemented to build Vermont’s**
13 **weatherization and efficiency installation and maintenance capabilities?**

14 **A.** Efficiency Vermont will collaborate with the Department and stakeholder to assure that
15 its workforce development initiatives fill gaps and support the efforts being planned and
16 implemented to build Vermont’s weatherization and efficiency installation and
17 maintenance capabilities. Efficiency Vermont will also provide an update on its services
18 in its Triennial Plan to be filed in this matter in accordance with the requirements of the
19 P&A Document.

1 **Q. What will Efficiency Vermont do if it is unable to fully utilize the proposed**
2 **workforce development funding?**

3 **A.** If Efficiency Vermont is unable to identify workforce development activities that are not
4 in conflict with other efforts in Vermont, it will remove the associated portion of its
5 proposed amended DRP funding and leave the funds in the TEPF Fund for use in a
6 subsequent performance period.

4. EFFICIENCY VERMONT’S UPDATED TEPF BUDGET
RECOMMENDATIONS.

7 **Q. Does Efficiency Vermont’s proposed DRP Amendment include budget**
8 **recommendations for its proposed amended TEPF portfolio of Resource Acquisition**
9 **services and related Development and Support Services?**

10 **A.** Yes it does. As described in Witness Pilliod’s testimony, Efficiency Vermont’s amended
11 DRP modeling provides the RA budgets needed to implement the programs and services
12 described and acquire the forecasted TEPF energy savings. Also as discussed by Witness
13 Pilliod, Efficiency Vermont’s amended TEPF portion of the DSS budget is slightly
14 modified on account of the proposed increase in TEPF funding. Additionally, as a
15 consequence of the work to be performed as a part of the amended TEPF DRP Model, the
16 budgets for TEPF compensation and performance awards are also adjusted. Efficiency
17 Vermont’s amended Performance Compensation Tables and Budgets are included as
18 Exhibits EVT-DW-1 and EVT-DW-2.

19 **Q. Will the amended TEPF budget that Efficiency Vermont proposes be adequate to**

1 **acquire the efficiency resources described in its DRP Amendment?**

2 **A.** We believe so. The methods of operationalizing the modeling results with the proposed
3 budgets are described by Witness Pilliod.

**5. EFFICIENCY VERMONT’S PROPOSED AMENDED TEPF
PERFORMANCE METRICS AND COMPENSATION.**

4 **Q.** **Does Efficiency Vermont’s DRP Amendment include updates to the approved TEPF**
5 **performance metrics used to measure the effectiveness of its delivery of TEPF**
6 **efficiency services?**

7 **A.** Yes it does. Efficiency Vermont’s proposed performance metrics are described in the
8 prefiled testimony of Witness Pilliod in the context of modeling results and described in
9 this testimony in the context of QPI performance values (which are 5% higher than
10 modeled results consistent with the Commission’s Orders in Case No. 22-2954-PET).
11 Efficiency Vermont’s performance compensation is described in Exhibit EVT-DW-1.

12 **Q.** **Please summarize Efficiency Vermont’s proposed amended performance metrics.**

13 **A.** As with the current DRP the primary TEPF performance metric remain:

- 14 1. MMBtu;
- 15 2. Residential Single Family Comprehensiveness;
- 16 3. Number of Housing Units Weatherized; and
- 17 4. Annual Greenhouse Gas reduction (metric tons CO₂e).

18 These are the same performance indicators approved in Case No. 22-2954-PET, the prior
19 DRPP. Efficiency Vermont’s amended performance compensation tables are included
20 with this testimony as Exhibit EVT-DW-1.

1 **Q. Are there any changes to the weighting of individual performance indicators**
2 **proposed in the DRP Amendment?**

3 **A.** No, there are no changes proposed to the weightings of the TEPF performance indicators.

4 **Q. Do the updated performance metrics raise the performance bar to encourage**
5 **Efficiency Vermont to improve its delivery of TEPF efficiency services?**

6 **A.** To a great degree, yes. In accordance with the Commission’s prior rulings, the modeled
7 target for the amended TEPF QPI #1 has been increased by 5% making satisfaction of the
8 metric a challenge for Efficiency Vermont.

IV. CONCLUSION

9 **Q. Do you have any concluding thoughts for the Commission?**

10 **A.** The proposed DRP Amendment being advanced by Efficiency Vermont and its
11 presenting witnesses is designed to address the issues raised on account of Efficiency
12 Vermont’s receipt of unanticipated ARPA funding pursuant to its Contract with the DPS.
13 Since some projects that would have been addressed via Efficiency Vermont’s approved
14 TEPF programs will now be served as a part of the ARPA-funded Contract activities and
15 since the ARPA-funded contract provides for incremental services it was necessary to
16 remodel the TEPF portfolio and utilize the best available information in the process. The
17 modeling results informed the development of Efficiency Vermont’s proposed TEPF
18 DRP Amendment which Efficiency Vermont maintains should be approved for
19 implementation to assure that all ARPA funding can be utilized and so programs will

1 properly transition during the performance period when the ARPA funding is available.

2 **Q. Does this conclude your testimony?**

3 **A.** Yes, it does.