

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
HALEY ROE
ON BEHALF OF EFFICIENCY VERMONT**

September 13, 2024

In this testimony Witness Roe describes Efficiency Vermont’s updated Thermal Energy and Process Fuels (“TEPF”) revenue forecast. This forecast is used in Efficiency Vermont’s 2024-2026 TEPF budgets proposed in Witness Westman’s Exhibit EVT-DW-2.

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EXHIBITS

EVT-HR-1 Efficiency Vermont’s Updated Thermal Energy and Process Fuels
 (“TEPF”) Revenue Forecast

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PREFILED TESTIMONY OF HALEY ROE
ON BEHALF OF
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I. INTRODUCTION

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

2 **A.** My name is Haley Roe. I am employed by Vermont Energy Investment Corporation
3 (“VEIC”) as a Senior Regulatory Analyst for Efficiency Vermont, Vermont’s statewide
4 energy efficiency utility (“EEU”). My business address is 20 Winooski Falls Way, 5th
5 Floor, Winooski, Vermont, 05404.

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

7 **A.** I have over five years of experience working in Vermont’s regulated energy sector. In my
8 role I provide analysis related to Efficiency Vermont’s funding streams, cost-benefit
9 screening, and other regulatory policy topics. This includes the development and
10 maintenance of revenue forecasts and calculations for Efficiency Vermont’s electric and
11 thermal portfolios.

12 I have a bachelor’s degree in environmental studies with a focus in environmental
13 policy from Middlebury College. I have been employed by VEIC for five years and have

1 served in my current position for over two years.

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

3 **A.** In my capacity as a Senior Regulatory Analyst my responsibilities at Efficiency Vermont
4 include tracking and updating Thermal Energy and Process Fuels (“TEPF”) revenue
5 forecasts; calculating electric energy efficiency charge (“EEC”) rates; providing
6 quantitative and policy analysis to inform recommendations in cost-benefit screening and
7 other regulatory matters; and conducting research into regulatory policies of other
8 jurisdictions to inform Efficiency Vermont’s recommendations in proceedings before the
9 Commission.

10 **Q. Have you previously testified before the Vermont Public Utility Commission**
11 **(“Commission” or “PUC”)?**

12 **A.** I have not. I have previously worked on Demand Resources Plan (“DRP”) Proceedings
13 (“DRPP”) before the Commission. Most recently I helped support Efficiency Vermont’s
14 analysis of and participation in Case Nos. 19-3272-PET and 22-2954-PET, both DRPPs. I
15 have also participated in numerous non-contested regulatory proceedings before the
16 Commission on behalf of Efficiency Vermont, such as the 2024 EEC rate setting
17 proceeding (Case No. 23-1985-PET), and a contested regulatory proceeding regarding
18 updates to EEU avoided costs and other screening components (Case No. 21-2436-PET).

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

20 **A.** The purpose of my testimony is to describe Efficiency Vermont’s updated TEPF revenue
21 forecast. This forecast provides the foundation for the 2024-2026 TEPF budgets

1 proposed in Witness Westman’s Exhibit EVT-DW-2.

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

3 A. Yes, I sponsor *Efficiency Vermont’s Updated Thermal Energy and Process Fuels*
4 *Revenue Forecast*, which has been marked Exhibit EVT-HR-1, which provides an
5 updated TEPF Revenue forecast for the period 2024-2033.

II. SUMMARY

6 **Q. Please summarize your testimony.**

7 A. My testimony describes Efficiency Vermont’s updated TEPF Revenue Forecast that is a
8 principal assumption relied upon in Efficiency Vermont’s DRP Amendment Proposal that
9 is the subject of this proceeding. As will be explained in my testimony, new information,
10 not available in Case No. 22-2954-PET when Efficiency Vermont filed its DRP Update
11 Proposal¹ in December 2022 (the “December 2022 Proposal”), demonstrates significantly
12 higher TEPF revenues received in 2022, 2023, and 2024 than was anticipated in the
13 December 2022 Proposal. Additionally, the updated TEPF Revenue Forecast
14 demonstrates TEPF revenues are likely to remain higher than anticipated in the December
15 2022 Proposal in 2024 and the years after. This testimony supports the DRP
16 Amendment’s proposed increase in TEPF budgets for the 2024-2026 performance period,
17 as provided in Exhibit EVT-DW-2.

18

¹ See Case No. 22-2954-PET, Exhibit EVT-KJ-2, dated December 9, 2022.

III. DISCUSSION

1 **Q. How does Efficiency Vermont’s updated TEPF Revenue Forecast compare to the**
2 **forecast relied upon in Case No. 22-2954-PET?**

3 **A.** The updated TEPF Revenue Forecast generally takes a similar approach to the forecast
4 relied upon in Case No. 22-2954-PET, in that it includes forecasts of Regional
5 Greenhouse Gas Initiative (“RGGI”) and ISO New England Forward Capacity Market
6 (“FCM”) revenues, which are the two funding sources of Efficiency Vermont’s TEPF
7 portfolio; the assumptions underpinning these forecasts have been updated to reflect more
8 recent market activity and auction results. Exhibit EVT-HR-1 reflects actual RGGI and
9 FCM auction outcomes that have occurred since the December 2022 Proposal, from the
10 fourth quarter of 2022 through the date of this filing. Exhibit EVT-HR-1 also reflects the
11 Amendment’s proposed 2024-2026 TEPF budgets to provide updated year-end TEPF
12 fund balance estimates through the 2024-2033 period.

13 **Q. What was Efficiency Vermont’s year-end TEPF Fund Balance at close of the 2021-**
14 **2023 performance period? How does this ending balance compare to the estimated**
15 **balance used in the initial 2024-2026 TEPF DRP?**

16 **A.** The TEPF Fund Balance estimated for the close of the 2021-2023 performance period as
17 assumed in Efficiency Vermont’s December 2022 Proposal was \$7,266,257. VEIC’s
18 December 2023 fiscal agent report demonstrates the actual TEPF Fund balance at the
19 close of 2023 was \$8,769,647. As such, calendar year 2023 closed with \$1,503,390 more
20 TEPF funds than had been anticipated in the December 2022 Proposal. The main drivers

1 of the \$1,503,390 in additional TEPF funds are higher RGGI and FCM revenues in 2022
2 and 2023 than had been estimated when establishing the December 2022 Proposal.

3 **Q. Are there expected to be any additional TEPF revenues during the 2024-2026**
4 **performance period that were not accounted for in the TEPF revenue forecast used**
5 **when setting the 2024-2026 TEPF budgets in Case No. 22-2954-PET?**

6 **A.** Yes, the updated TEPF Revenue Forecast presents higher RGGI and higher FCM
7 revenues during the 2024-2026 performance period than was estimated when setting the
8 2024-2026 TEPF budgets in Case No. 22-2954-PET. Efficiency Vermont coordinated
9 with the Department of Public Service to update the RGGI revenue forecast in Exhibit
10 EVT-HR-1, which indicates \$6,056,284 greater RGGI revenues in 2024-2026 than had
11 been anticipated in Case No. 22-2954-PET. Increased RGGI revenue is driven by higher
12 allowance prices, which have continued to grow since December 2022.

13 Additionally, the updated FCM revenue forecast in Exhibit EVT-HR-1 indicates
14 \$1,771,812 greater FCM Revenues in 2024-2026 than had been anticipated in Case No.
15 22-2954-PET, a result of higher clearing prices and portfolio savings available to bid in
16 reconfiguration auctions for FCM commitment periods in Efficiency Vermont's 2024-
17 2026 performance period.

18 In total, the updated TEPF Revenue Forecast results in \$7,828,096 higher TEPF
19 revenue during the 2024-2026 performance period than had been forecasted in the
20 December 2022 Proposal in Case No. 22-2954-PET.

21 **Q. Is there risk of the higher funds required for the 2024-2026 budgets proposed in the**

1 **DRP Amendment not accumulating?**

2 **A.** No. The DRP Amendment proposes a \$2,493,357 increase to Efficiency Vermont’s 2024-
3 2026 performance period TEPF budget. As of this filing, the four RGGI auctions that
4 make-up Efficiency Vermont’s 2024 RGGI revenue have taken place (Auctions 62-65).
5 Auctions 62-65 have generated \$3,926,056 more revenue than the RGGI forecast utilized
6 in the December 2022 Proposal; revenues from Auctions 62-64 have already been
7 delivered to the TEPF Fund. When one combines this \$3,926,056 in additional 2024
8 RGGI revenue with the \$1,503,390 in additional 2023 year-end funds, there is over \$5.4
9 million in additional TEPF funds that have accrued as of this filing. This \$5.4 million
10 sum is more than sufficient to cover the \$2,493,357 increase in 2024-2026 TEPF budget
11 proposed in the DRP Amendment.

12 **Q.** **Under Efficiency Vermont’s proposed DRP Amendment, what is the impact of the**
13 **updates to Efficiency Vermont’s revenue forecast on the TEPF fund balance at the**
14 **close of the 2024-2026 performance period?**

15 **A.** Utilizing the updated TEPF Revenue Forecast, Efficiency Vermont’s proposed DRP
16 Amendment anticipates that the 2024-2026 performance period will close with a TEPF
17 fund balance of \$6,628,956. This is over \$6 million more than the 2026 year-end TEPF
18 fund balance anticipated in the December 2022 Proposal in Case No. 22-2954-PET.

IV. CONCLUSION

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

20 **A.** Yes, I do. I believe this updated TEPF Revenue Forecast supports the approval of

1 Efficiency Vermont’s DRP Amendment. The increase in TEPF revenue illustrated in
2 Exhibit EVT-HR-1 demonstrates that the TEPF fund already contains sufficient funds to
3 support the Amendment’s proposed increase to Efficiency Vermont’s 2024-2026 TEPF
4 budget. The remaining additional TEPF funds that are anticipated to accrue over the
5 2024-2026 period are estimated to close 2026 with over \$6.6 million in TEPF funds to
6 support thermal efficiency projects in future years. Efficiency Vermont plans to address
7 its 2027-2029 TEPF budgets in its 2027-2029 DRP Proposal, likely to be filed at the end
8 of 2025.

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

10 **A.** Yes, it does.