

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. 209(d)(3)(c)	
---	--

DEPARTMENT OF PUBLIC SERVICE RESPONSE TO COMMISSION ORDER

On March 12, 2025, the Public Utility Commission (“Commission”) issued an *Order Addressing Energy Savings Account and Customer Credit Programs*, in which it requested that the Department of Public Service (“Department”) file, by April 4th, comments on the appropriate process to screen non-energy-efficiency measures. The Commission specified that comments should address, at a minimum: (1) whether Energy Savings Account (“ESA”) and Customer Credit Program (“CCP”) participants should be able to hire a consultant to conduct the necessary screening; (2) whether the Department has sufficient capability to conduct the screening; and (3) whether the energy efficiency utility (“EEU”) should receive a reduced percentage of energy efficiency charge (“EEC”) funding if it is not conducting the screening. This filing provides the Department’s response to the Commission’s request.

The Department recommends (after discussion with the EEUs) that if an ESA or CCP participant proposes a non-energy efficiency measure that does not have an existing methodology for screening (such as energy storage), the Department and EEUs will work together to develop a methodology to be used. The Department does not recommend developing screening methodologies for all potential non-energy efficiency projects before they are proposed as doing so would be a costly and time-consuming process that may not be necessary if those measures are never implemented. While it is impossible to define a timeline for how long

any such screening methodologies would take to develop, as they would likely vary on the type of technology being deployed, the Department and the EEUs would endeavor to ensure that it is done in a timely fashion to be responsive to the needs of the participant. The development of the methodology would commence after the Department and EEUs either receive a draft or final Energy Management Plan that includes a new non-energy efficiency measure (for the ESA program) or written notification of a CCP participant's plan to implement a non-energy efficiency measure. The Department will also consult with the ESA or CCP participant when a new screening methodology needs to be developed for a proposed project.

One benefit of a screening process as described above is that there will be consistency for how non-energy-efficiency measures are screened for all participants. The Department is concerned that if the participants hire independent consultants to conduct the screening there may not be a consistent methodology applied.

The Department does not currently have sufficient capability to develop the methodology and conduct the screening for non-energy-efficiency measures. However, if the Commission were to determine that the Department is the appropriate party to conduct the screening for non-energy efficiency measures, the Department would recommend that an increased portion of the EEC funding be allocated to the Department to conduct that work. Additionally, the Department and Efficiency Vermont recognize that the most likely non-energy efficiency measure in this scenario to require a screening methodology be developed is battery storage, and this measure would not be expected to show up frequently, if at all, in the programs. Therefore, a change in funding allocation is not deemed necessary at this time.

Additionally, Efficiency Vermont identified in its February 21, 2025 comments that non-

energy efficiency measures would include energy productivity. In discussions with Efficiency Vermont the Department highlighted that given the new definition for energy productivity included in the Commission order energy productivity is now an energy efficiency measure that can be screened. Efficiency Vermont has indicated to the Department that it agrees with this assessment.

The Department shared a draft of this filing with Efficiency Vermont and the City of Burlington Electric Department and both parties indicated that they have no comments or concerns.

Dated at Montpelier, Vermont this 3rd day of April 2025.

VERMONT DEPARTMENT OF PUBLIC SERVICE

By: /s/ Megan Ludwig
Megan Ludwig, Special Counsel
112 State Street
Montpelier, VT 05620-2601
megan.ludwig@vermont.gov