STATE OF VERMONT
PUBLIC UTILITY COMMISSION

Case No. 25-0443-PET

Investigation pursuant to Act 142 of 2024 into the creation of a statewide program to reduce energy burden	

VERMONT DEPARTMENT OF PUBLIC SERVICE RESPONSE TO REQUEST FOR INFROMATION

On March 10, 2025, the Vermont Public Utility Commission ("Commission") filed a Request for Information ("RFI") seeking, among other things, the identification of Vermont "programs focused on reducing or stabilizing energy costs for households with low and moderate income". The RFI also requested assistance in "identifying exemplar statewide energy cost-reduction programs currently available in other states worthy of further investigation by the Commission."[1] The RFI requested comments by March 10, 2025. The Vermont Department of Public Service ("Department") submits this response along with a corresponding workbook as requested by the Commission identifying five out of state programs for Commission consideration.[2]

[1] This proceeding was initiated in response to the Energy Cost Stabilization Study included in Public Act 142 (2024 Vt., Bien. Sess.), Sec. 21 ("Energy Cost Stabilization Study"; "The Public Utility Commission shall study current and potential future programs and initiatives focused on reducing or stabilizing energy costs for low- or moderate-income households and shall make a determination as to whether a statewide program to reduce energy burden is needed in Vermont. In conducting its analysis, the Commission shall take into consideration a comprehensive approach that recognizes electric costs might rise but that total energy costs are expected to decrease because of increased electrification, efficiency, storage, and demand response activities. The Commission shall submit a written report of its findings and recommendations to the General Assembly on or before December 1, 2025."); Case No. *Request for Information*, 25-0443-INV, Order of Mar. 10, 2025, at 2 ("RFI"); *Attachment to Information Request-Combined Template and Summary of Existing Programs*, Case No. 25-0443-INV, Order Attachment of Mar. 10, 2025, ("Summary of Existing Programs"); While the RFI requested existing statewide programs, the Department did not limit its research to statewide programs based on the Department's understanding of the intent of the study required by Act 142.

[2] Public Utilities Fortnightly, *Energy Affordability and Equity And What We Can Do,* https://www.bing.com/ck/a?!&&p=f1fe55898ae9786beff6ed61fef846e6f925fe605253dbba817b1be4396123f3JmltdHM9MTc0NDE1NjgwMA&ptn=3&ver=2&hsh=4&fclid=066f9dce-b34f-6b56-080d-

Department staff completed an extensive review of the many energy cost and energy burden reduction programs that exist around the country as part of the research for this filing.[3] Given the similar number of respective heating degree days ("HDD") as in Vermont, the Department prioritized the review of programs offered by states in the northern tier of the country and New England. The Department took this approach with building decarbonization programs in mind based on the premise that jurisdictions with similar HDDs, are more likely to have a similar building stock, average thermal load, and energy expenditure per household. However, the Department did not limit its research to northern states, some southern states may have similar energy burden dynamics to Vermont based on building stock and economic demographics while focusing on cooling degree days ("CDD") rather than HDDs.

The Department found five examples suitable for consideration in Vermont given the state's robust suite of existing programs and the existing regulatory structure.[4] Generally these programs reduce participation barriers by either providing significant incentives or administrative support for program participants. The jurisdictions that designed and implemented these programs

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[3] Energy burden relates to the percentage of a household's income spent on energy. Households that spend more than 6% of household income on energy have a high energy burden. For more information on energy burden in Vermont see Efficiency Vermont, *Vermont Energy Burden Report*, October 2019, Justine Sears and Kelly Lucci, https://www.efficiencyvermont.com/Media/Default/docs/white-papers/2019%20Vermont%20Energy%20Burden%20Report.pdf (accessed Mar. 31, 2025).

[4] The Department does not claim to have identified and evaluated every possible program for consideration and expects other parties to identify other relevant out-of-state programs. Environmental Protection Agency, *Help My House Program Profile*, https://www.epa.gov/sites/default/files/2017-06/documents/help_my_house_profile_6-1-16_508.pdf (accessed Apr. 9, 2025)(For example in a review of mobile home specific programs across the country, the Department found the "Help My House Program" offered in South Carolina promising, only to realize that the program is very similar in structure to the VT WRAP pilot program already offered by VHFA.); Review of discussion related to the merits of low-income utility rates in previous cases, statutory authority aside, may be helpful for participants in this case, specifically Case No. 20-0203-INV and Docket No. 7535.

did so in the respective contexts of their existing thermal sector policies, building stocks, and economies. If similar programs are deemed suitable for implementation in Vermont, they would likely require modifications reflecting the Vermont-specific context to ensure they complement existing programs.

No-Cost In Person Home Energy Assessments

The Massachusetts No-Cost In Person Home Energy Assessments program removes the upfront cost to receive a home energy audit for all households regardless of income.[5] If adopted in Vermont, the most likely benefit of this type of program would be increased ratepayer participation in ongoing moderate income and market-rate weatherization programs. The program as identified is consistent with recommendations made in Section 6.3 of the 2022 Vermont Comprehensive Energy Plan which discusses the need for "rapidly scaling up weatherization activities".[6] However, review of the program may benefit from further consideration of possible pros and cons in the Vermont context. For example, implementation subject to Vermont-specific benchmarking through establishment of key performance indicators and outcomes could ensure program effectiveness and complementary program interaction.

Manufactured (Mobile) Home Initiative

Maine's Manufactured (Mobile) Home Initiative provides substantial rebates to qualifying homeowners of single-wide manufactured (mobile) homes to reduce the cost of heating system conversion from propane or kerosene to whole home ducted heat pumps.[7] The Department

[5] Mass Save, *Home Energy Assessments (Virtual or In-Person)*, https://www.masssave.com/en/residential/programs-and-services/home-energy-assessments/home-energy-assessments (accessed Mar. 31, 2024).
[6] Vermont Department of Public Service, *2022 Vermont Comprehensive Energy Plan*, at 164 (2022), https://publicservice.vermont.gov/sites/dps/files/documents/2022VermontComprehensiveEnergyPlan_0.pdf.
[7] Efficiency Maine, *Manufactured (Mobile) Home Initiative*, https://www.efficiencymaine.com/at-home/manufactured-mobile-home-initiative/ (accessed Mar. 31, 2025).

identified this program for consideration as the Department is not aware of a Vermont program that provides funding specifically dedicated to the conversion of mobile home fossil fuel heating systems to heat pumps. Recent estimates show approximately 6% of Vermont's residential housing stock comprises mobile homes whose residents tend to have lower household incomes than other Vermont households and mobile homes themselves can be more technically challenging to decarbonize.[8] Further review of this program may benefit this investigation given the context of Vermont's statewide housing, equity, and building decarbonization goals.[9]

Community Heat Pump Systems Program - Program Opportunity Notice 4614

New York's Community Heat Pump Systems (PON 4614) program is an example of a highly successful competitive solicitation for cost-share funds used to reduce the upfront cost of designing large sustainable heating systems.[10] The prospect of transitioning entire neighborhoods primarily heated by individual fossil fuel heating systems to highly efficient community heat pump or networked geothermal systems presents the opportunity to equitably reduce both energy costs and emissions. Vermont has yet to develop a statewide program to conduct community heat pump system feasibility studies.[11] Given the high initial capital cost of these systems, a competitive

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[8] Vermont Housing Finance Association, *Vermont Housing Needs Assessment 2025-2029* (2024), Fig. 3-17, https://vhfa.org/sites/default/files/documents/publications/VT-HNA-2025-HousingStock.pdf. ; Clean Heat Standard Equity Advisory Group, *Final Report of the Clean Heat Standard Equity Advisory Group to the Vermont Legislature*, 48-52 (2025), https://puc.vermont.gov/sites/psbnew/files/documents/Equity%20Advisory%20Group%20Clean%20Heat%20Standard%20Final%20Report.pdf.

[9] Department staff discussed the potential of a modification to the Manufactured (Mobile) Home Initiative program to offer retrofits on a community or mobile home park basis rather than an individual unit basis, subject to individual unit eligibility.

[10] New York State Energy Research and Development Authority, *Large-Scale Thermal,* https://www.nyserda.ny.gov/All-Programs/Large-Scale-Therma*l* (accessed, Apr. 1, 2025); New York State Energy Research and Development Authority, *Large Scale Thermal (Pon 5614)*, https://portal.nyserda.ny.gov/CORE_Solicitation_Detail_Page?SolicitationId=a0r8z000000Hl6V (accessed, Apr. 1, 2025).

[11] *Department Comments*, Case No. 24-3460-INV, Comments of Mar. 3, 2025 (The Department acknowledges the overlap between this investigation and comment and the Department's comment in 24-3460-INV suggesting the Commission consider New York's Lare-Scale Thermal Program).

solicitation model with funding support to reduce the initial barriers to entry of an otherwise cost-effective technology may be appropriate for consideration in the Vermont context. The Department suggests the Commission consider this program's methods of proposal solicitation and funding distribution as part of this review of programs and the Commission's thermal energy exchange investigation (24-3460-INV).

Percentage of Income Payment Plan

Several states allow or require utilities to provide income-qualified customers with a percentage-of-income based monthly utility bill, or a percentage-of-income payment plan ("PIPP").[12] Generally, a PIPP caps a customer's utility bills at a fixed percentage of their income to reduce energy burden. Discussion of PIPPs and other income qualified programs often includes protection for service disconnects.[13] Illinois statute requires utilities to provide income qualified utility customers with a PIPP option. Participants pay no more than six percent of their income towards monthly gas and electric bills subject to minimum payments of $10 a month and monthly and annual benefit caps of $150 and $1,500 respectively. The Department highlights the Illinois PIPP because it is paired with an arrearage reduction program, customer education, and identification of priority weatherization projects. Vermont utilities already offer discounted rates based on income, but the Department is not aware of utilities offering PIPPs. The Commission may find aspects of various PIPPs appropriate for consideration.

Residential Turnkey Solutions (formerly known as Residential Coordinated Delivery)

Mass Save's Residential Turnkey Solutions ("RTS") program is an example of a

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[12] LIHEAP Clearing House, *Overview of Percentage of Income Payment Plans (PIPP)*, https://liheapch.acf.hhs.gov/docs/PIPPupdate.pdf (accessed Apr. 1, 2025); ILL. COMP. STAT., ch. 305 sec. 18 (Pub. Act. 96-33 of 2009).
[13] *Energy Burden and the Clean Energy Transition* at 25-26.

statewide program intended to streamline participant experience and the process of implementing various decarbonization measures through coordinated services.[14] As part of this "turnkey" approach, program administrators provide support to customers from home energy assessment and identification of a prioritized project list to completion of multiple projects, including quality assurance and control inspections. The program connects participants with a single vendor to manage multiple process and project steps, including navigation of generous incentives and management of subcontractors.[15]

There are numerous cost-saving, efficiency, and decarbonization programs available in Vermont, but most are offered as standalone rebates based on distinct project types.[16] Adopting a similar turnkey approach would make cost savings more accessible for eligible Vermonters and accelerate adoption of decarbonization measures. The incentive structures built into the RTS were tailor-made for Massachusetts. As with other programs the Department identified in this response, a Vermont tailoring will be needed to ensure this type of program's suitability.

Conclusion

The Department respectfully provides these recommendations with the intent that they enhance the scope of relevant programs considered by the Commission in investigating programs

[14] Mass Save, *The Massachusetts 2025-2027 Energy Efficiency and Decarbonization Plan*, at 105-124, Oct. 31, 2024, https://www.masssave.com/-/media/Files/PDFs/Mass-2025-2027-Energy-Efficiency-Decarbonization-Plan.pdf.

[15] *Energy Efficiency and Decarbonization Plan* at 123-124 (For example, moderate income customers are eligible for 100% incentives for weatherization, resolution of electrification barriers, and heat pumps. Buildings with at least 50 percent renter-occupied units in designated equity communities will automatically qualify for moderate-income offers, including weatherization, pre-weatherization and pre-electrification barrier remediation, and heat pump installation, all at no cost to the customer.)

[16] *Summary of Existing Programs*; Vermont Gas Systems, *Triennial Plan*, Case No. 24-3335-INV, Other Document of Nov. 1, 2024 (Vermont Gas Systems Inc. ("VGS") currently offers a "FastTrack" approach to weatherization projects for high-use natural gas ratepayers that provides a coordinated approach. "FastTrack" projects are managed by VGS from origination to completion. However, decarbonization measures beyond weatherization are not offered as a bundle.).

that could reduce or stabilize energy costs for low- and moderate-income households in Vermont. The Department also respectfully recommends the Commission hold a workshop to discuss programs identified for consideration or those the Commission identifies as appropriate.

Dated at Montpelier, Vermont this 10th Day of April 2025.

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