

24-3460-
STATE OF VERMONT
PUBLIC UTILITY COMMISSION

Case No. 24-3460-INV

Public Utility Commission investigation into thermal energy exchange networks pursuant to Act 142 of 2024	
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Order entered: 04/23/2025

INFORMATION REQUESTS

On November 19, 2024, the Vermont Public Utility Commission (“Commission”) opened this investigation to inform its thermal energy exchange network report required by Section 17 of Act 142.¹ The Commission requested information from interested parties “regarding the permitting, construction, operation, and rates of thermal energy exchange networks” by March 1, 2025.

After reviewing the information and suggestions provided by participants, Commission staff request the following information. Participants are requested to file responsive information by May 19, 2025.

Siting authority

1. Should the permitting of thermal energy networks be subject to review under 30 V.S.A. § 248, Act 250, or local/municipal zoning?
2. If you suggest that the Commission should issue certificates of public good under Section 248, please respond to the following.
 - a. When should a thermal energy network be subject to Commission review?
 - b. Regarding notice,
 - i. which people, entities, and government agencies should receive notice of a Section 248 application for a thermal energy network? Please explain.

¹ Public Act No. 142 (2024 Vt., Adj. Sess.) (“Act 142”).

- ii. should there be advance notice and notice of complete applications?
 - iii. which people, entities, and government agencies should be automatic parties, parties as of right (using, for example, a notice of intervention), and parties that must seek intervention?
 - c. Should all Section 248 criteria apply? If so, please explain the applicability of each criterion. If not, which of the criteria should be waived and why?
 - d. Should new criteria be added specific to thermal energy networks? For example, the Department's comments reference the development of guidelines for best practices in the development of thermal energy networks. Should such best practices be part of the Commission's evaluation of whether a thermal energy network receives a certificate of public good?
 - e. Would it be appropriate for applicants to pay a fee under Section 248c to support the role of the Commission (and any other State agencies) in reviewing applications? If so, how should the fee be calculated?
3. Should the application process and requirements mirror net-metering, Section 248(j), or Section 248? In providing a response, please reference, if possible, the provisions of Commission Rules 5.100 and 5.400, as relevant. If possible, please describe the form and contents of an application.
4. Should there be an opportunity for site visits and public hearings in thermal-energy-network proceedings?

Section 231

5. Vermont utilities must obtain a certificate of public good under 30 V.S.A. § 231. If a Vermont utility with an existing Section 231 certificate of public good were to propose owning and operating a thermal energy network, would an amendment to the certificate be required?
6. Would an owner of a private- or cooperative-owned thermal energy network be required to obtain a Section 231 certificate of public good to own and operate a thermal energy network?
7. The Department suggests that performance requirements should be imposed on thermal energy network operators. How would these performance requirements be implemented?

Financing and rate regulation

8. Should Vermont distribution utilities be permitted to own and operate thermal energy networks?
9. Please provide rules, guidelines, or decisions from other jurisdictions regarding the use of electric or gas ratepayer dollars to support the development of thermal energy networks.
10. Under what circumstances, if any, would it be appropriate for Vermont ratepayers to support the development of thermal energy networks?
 - a. Would thermal energy network investments qualify under Tier 3 of the Renewable Energy Standard?
 - b. For gas utility investments, would it be appropriate to evaluate the use of ratepayer funds using a social cost of carbon or similar screen?
11. The Department of Public Service suggests that “The ability for regulated utilities to demonstrate the net benefits that prospective TEN projects could convey to their broader customer base depends on a robust, uniform societal and ratepayer cost-benefit framework against which projects can be evaluated on a case-by-case basis.” Participants are requested to state whether they agree that regulated utility development of thermal energy networks should be evaluated using a robust, uniform societal and ratepayer costs-benefit framework. If so, should that framework be developed in this proceeding and submitted as part of the Commission’s report, or would the framework be developed at some other time?
12. Please provide current examples from other jurisdictions of approved tariffs for thermal energy network tariffs.
13. What sections of Title 30 of Vermont Statutes Annotated that apply to electric, gas, and water utilities should apply to the financing and rate regulation of thermal energy networks?
14. Would it be appropriate for thermal energy networks subject to the supervision of the Department of Public Service and Public Utility Commission to pay a tax under 30 V.S.A. § 22 to support the work of the Department and Commission? If so, what would be an appropriate rate for that tax?

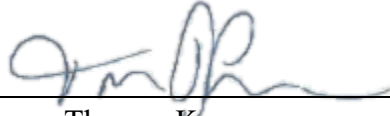
15. The Department of Public Service suggests that “[r]ate design and structure for [thermal energy networks] owned and operated by municipalities would be managed at the local level. Any changes in rates would be made by locally elected officials . . . [t]herefore the Department suggests that public [thermal energy networks] should be regulated in a similar manner as Vermont’s public water and sewer services.” Participants are requested to state whether they agree with the Department’s suggestion, and if not, their reasoning.
16. The Department of Public Service suggests that, due to initially high up-front costs of developing thermal energy networks, a “development authority could be established in Vermont to gain [thermal energy network] market insights on pricing, business models, and [thermal energy network] designs that could then be shared with instate stakeholders.” Participants are requested to comment on whether the creation of a development authority would be helpful. If so, would it be housed in an existing institution (such as a State agency) or a newly created public or private entity, and what monies would be used to fund the authority and the projects that it would support?
17. How should environmental justice and service to low- and moderate-income customers/communities be considered in the development of regulations for thermal energy networks?

Statutory definitions and language

18. Vermont Gas suggested that “the Commission analyze the definitions prescribed by the General Assembly and make recommendations for when regulation would be appropriate and when it would not.” Vermont Gas and other participants are invited to identify relevant statutory definitions and propose changes for the Commission to consider as part of its development of the report.
19. The comments from Deborah New and James A. Dumont recommend several changes to Title 30. Please provide any responses to this proposed language.
20. Please offer any alternative or additional proposed statutory language.

SO ORDERED.

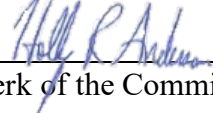
Dated at Montpelier, Vermont, this 23rd day of April, 2025.



Thomas Knauer
Hearing Officer

OFFICE OF THE CLERK

Filed: April 23, 2025

Attest: 
Clerk of the Commission

Notice to Readers: This decision is subject to revision of technical errors. Readers are requested to notify the Clerk of the Commission (by e-mail, telephone, or in writing) of any apparent errors, in order that any necessary corrections may be made. (E-mail address: puc.clerk@vermont.gov)

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