Introduction

30 V.S.A. § 209d 3(C) states that the Public Service Commission ("Commission"), "shall establish a process by which a customer who pays an average annual energy efficiency charge…" "of at least $5,000.00 may apply to the Commission to self-administer energy efficiency through an energy savings account or customer credit program that shall contain up to 75 percent and 90 percent, respectively of the customer's energy efficiency charge payments as determined by the Commission. The remaining portion of the charge shall be used for administration, measurement, verification, and evaluation costs and for systemwide energy benefits. Customer energy efficiency funds may be approved for use by the Commission for one or more of the following: electric energy efficiency projects and non-electric efficiency projects, which may include thermal and process fuel efficiency, flexible load management, combined heat and power systems, demand management, energy productivity, and energy storage. These funds shall not be used for the purchase or installation of new equipment capable of combusting fossil fuels. The total amount of customer energy efficiency funds that can be placed into energy savings accounts or the customer credit program annually is $2,000,000.00 and $1,000,000.00 respectively."

The Commission established criteria for each program in their March 12, 2025 Order in Case No. 24-2317-INV. Below additional program guidelines are provided for the Energy Savings Account ("ESA") program and the Customer Credit Program ("CCP").

Energy Savings Account ("ESA") Program Guidelines

1) **Participant eligibility and enrollment**
   a. Participant eligibility
      i. A customer who pays an average annual energy efficiency charge ("EEC") of at least $5,000.00 may apply.
      ii. If a customer has multiple facilities (sites), their available funding is calculated based on the combined EEC collections from utility accounts associated with all facilities. This means that a company is allowed to use EEC from one site to fund a project taking place at another site as long as the company is listed on all accounts. If a parent company is not listed on all of the accounts, they cannot combine accounts.
      iii. Participants need to determine which of their multiple facilities will participate in the ESA based on the utility accounts they list at the time of their application.
      iv. Participants may update lists of utility accounts at the end of each enrollment period and update if they wish to re-enroll in the ESA Program
   b. Applying to participate in ESA
      i. The application period for ESA will be prior to the start of the EEU's three-year performance period.[1]
         1. Participants who are accepted and enrolled in ESA will auto-renew for an additional three-year period unless they opt out 90 days prior to end of performance period. Opt-out notifications must be sent to the EEU, DPS, and Commission.

[1] There will be a separate process for participants enrolled in the previous ESA or were ESA pilot participants as of 12/31/2023 and wish to enroll in the ESA program revised via the March 12, 2025 Commission order in 24-2317-INV.

2. A full open enrollment process will be conducted every six years and existing participants would need to reapply at that time to continue in the program. If the program cap isn't met for the first three years of the program or if it is but participants drop out an additional enrollment period can be held for the second three years of the program, but participants selected during that process will have to reapply at the end of the three-year period when the full open enrollment is conducted.
3. If a participant withdraws from the program they must wait until the next full open enrollment period to reapply.

ii. Potential participants will complete the application form created by the EEUs and the DPS. The application form will include:
1. Attestation from the participants authorized representative agreeing to follow all program requirements, which includes working in partnership with their EEU and the Department of Public Service to complete all required activities associated with calculating, verifying, and claiming energy savings.
2. The name, title, and contact information of the designated onsite staff that will be the main point of contact for the EEU through the ESA program.

iii. The ESA Program will be capped, such that total EEC contributions associated with the program will be no more than $2,000,000 per year. If summation of EEC of applications exceeds the cap, priority will be given to the highest electric energy users.

2) **Participant requirements** – The following are the responsibility of the participant company and the individual whose has been named on the application form as the EEU main point of contact for the ESA program.
   a. Energy Management Plan (EMP):
      i. EMP is required for all non-electric efficiency projects.
      ii. The EMP must at minimum explain the need for the non-electric efficiency project(s), the estimated energy and non-energy benefits, the expected cost, and, if all electric efficiency measures identified in the required energy audit have not been completed, why the project is being prioritized by the participant.
      iii. EMP will be submitted to the EEU and DPS and filed with the Commission.
   b. EEC Reporting: Provide monthly EEC contribution reporting to the EEU. The participants must provide this data to their EEU by the end of the month following the date of the bill. Participants may only receive payments up to their available ESA funds balance. Reported EEC contributions not used for approved project reimbursement within 36 months of collection are forfeited for use by the Participant and returned to the electric efficiency fund.

3) **EEU requirements**
   a. The EEU is responsible for the ESA program administration, developing processes and procedures that ensure the ESA program is compliant with statutory and regulatory requirements.
   b. Collect and maintain individual participant EEC data, collective EEC data, and net available balances for participants and the program.
   c. Project Technical Assistance

i. Complete an energy audit to identify cost-effective electric efficiency measures at the participants facility(s).
ii. In partnership with and assistance from the Participant, document the details of the proposed project(s) being considered for ESA reimbursement.
iii. Calculate estimated energy savings associated with the proposed project.
iv. Perform societal cost-effectiveness screening to determine project eligibility.
v. Collect and maintain project data and documentation required to calculate and claim energy savings. This data will be shared with the DPS, Commission, and their hired auditors when requested.
vi. Provide guidance and temporary meters for equipment power metering when required to quantify and substantiate energy savings.
vii. Perform post-installation project inspection. Compile the required documentation to prove persistence of realized savings.
viii. Establish a system of records for maintaining project data and documentation for future savings verification efforts.

d. The EEU will administer the reimbursement of ESA funds as projects are completed and energy savings are verified.

4) **Department of Public Service responsibilities**
a. Post-project completion savings verification. This will occur within the standard EEU Annual Savings Verification period.

5) **Projects**
a. Energy audits and project prioritization: electric efficiency measures and projects should be given priority before the customer proceeds with any non-electric efficiency projects.
i. To ensure that electric measures are prioritized, all ESA participants are required to complete an energy audit to identify cost-effective electric efficiency measures. A walk-through energy audit will be provided as part of an EEU's technical assistance activities.
ii. Participants do not have to exhaust all cost-effective electric efficiency measures before pursuing non-electric efficiency measures and projects.

b. Non-electric efficiency measures and projects: Non-electric efficiency projects may include one or more of the following: flexible load management, combined heat and power systems, demand management, energy productivity, and energy storage.
i. Before the customer proceeds with any non-electric efficiency projects under the program the energy audit (in 5a (ii) above) must be completed.
ii. Before a participant can pursue non-electric efficiency measures they must submit an EMP, which must at minimum explain the need for the non-electric efficiency project(s), the estimated energy and non-energy benefits, the expected cost, and, if all electric efficiency measures identified in the required energy audit have not been completed, why the project is being prioritized by the participant. The EEU, in coordination with the DPS, may provide a template EMP for the participant to utilize.

c. Screening: For a project to be reimbursed with ESA funds, it must pass the State of Vermont societal cost-effectiveness screening.
i. Electric Efficiency Projects: Screening inputs include measure life, energy savings, project cost, and load shape of when the energy will be saved. Projects are screened under two classifications:

1. Market Opportunity/ Equipment replacement: screening is based on the incremental cost and incremental savings of the proposed equipment when compared to either industry standard practice or the States adopted Commercial Building Energy Standard.
2. Retrofit: This assumes that the reason for the project is to save energy. In this case screening is based on full project costs and full energy savings being realized.

ii. Non-electric efficiency projects: If the participant would like to pursue supporting a non-electric efficiency project with their ESA funds, an Energy Management Plan will need to be completed and submitted to the EEU, DPS, and filed with the Commission prior to screening. The EEU's in coordination with the DPS and in consultation with the participants, will develop methodologies for any non-electric efficiency measures that are not yet characterized.

d. ESA Funds shall not be used for the design, purchase or installation of new equipment capable of combusting fossil fuels.

e. Eligibility and restrictions of participation in EEU Programs
   i. Participants can receive midstream program rebates.
   ii. Participants are restricted from receiving EEU standard rebates.
   iii. Participants are restricted from engaging with any custom projects and incentive offers while they are enrolled in the ESA Program. If a participant has an existing executed Incentive Agreement prior to enrolling in the ESA, it will be honored by the EEU. Participants cannot receive both an EEU custom incentive and reimbursement with ESA funds for the same project or energy saving measure.

6) **Shared savings with multi-funders**
   a. When there are multiple funders for a single project, the allocation of project benefits should be proportional to each funders' project investments and agreed upon before the issuance of an incentive agreement to the participant.
   b. The allocation of energy savings proportional to the funding will be used for screening.
   c. Examples of other funders include the electric utility, Vermont Gas, federal or state grants.

7) **Participant Reimbursements**
   a. The ESA participant must provide the EEU with all project-related information necessary for the EEU to evaluate the cost-effectiveness of qualified expenses for projects as well as the viability of the project being pursued before any reimbursement will be considered. The following expenses are allowable for reimbursement from the participants accrued EEC balance after cost-effectiveness and project viability are determined:
      i. A participant can be reimbursed for up to 25% of the cost of an audit, engineering study, or project feasibility analysis undertaken as part of a proposed project design and development.
      ii. Participants may be reimbursed up to 100% of project costs, including labor, equipment, controls, materials, shipping, and taxes. Note: This is true even if the incremental cost was used for screening a market opportunity project.
   b. ESA Account Accrual
      i. Participants accrue access to 75% of EEC collections, net of weatherization and gross receipts taxes.

ii. Participants may be reimbursed up to 100% of project costs, for both market opportunity and retrofit projects that pass screening.
i. Reported EEC contributions are available for Participant reimbursements for 36 months after the EEC is incurred on the monthly utility bill. The Participant may apply to keep funds up to six years if more than three years is needed to complete a project as long as the funds are obligated to that project.
iii. Participant is responsible for notifying the EEU when the project is completed, and will be required to provide invoices, equipment submittals, supporting documentation requested, and facilitate a site visit for visual verification
iv. Reimbursements will be processed after the approved project is completed, and energy savings are verified. Payment will be mailed to the participant within 30 days of the final verification and check request.
v. Reimbursement payment may be made to third parties (e.g., contractors) upon ESA participant request and completion of applicable forms.

8) **Annual Reporting**
   a. Participants are not required to create separate annual progress reports.
   b. Program reporting will be accomplished as part of standard EEU annual reporting.

9) **Department savings verification**
   a. ESA Program savings verification will be performed by the Department and its evaluator as part of its standard, annual EEU savings verification process.

Customer Credit Program ("CCP") Guidelines

1) **Eligibility and enrollment**
   a. Participant eligibility
      i. A customer who pays an average annual energy efficiency charge of at least $5,000.00 may apply.
      ii. If a customer has multiple facilities (sites), their available funding is calculated based on the combined EEC collections from utility accounts associated with all facilities. This means that a company is allowed to use EEC from one site to fund a project taking place at another site as long as the company is listed on all accounts. If a parent company is not listed on all of the accounts, they cannot combine accounts.
      iii. Participants need to determine which of their multiple facilities will participate in CCP based on the utility accounts they list at the time of their application.
      iv. Updates to list of utility accounts. Participants may only update lists of utility accounts at the end of each enrollment period and update if they wish to re-enroll in the Customer Credit Program.

   b. Application and enrollment
      i. Applications for the customer credit program will be submitted 18 months prior to the start of a new three-year EEU performance period.[2]

[2] There will be an alternative initial application process to start selecting participants in 2025. The initial enrollment period will continue until the end of 2029 and the next enrollment period would start in 2030, as described in the March 12, 2025 Commission order in 24-2317-INV.

1. Participants who are accepted and enrolled in the customer credit program will have automatic renewal unless they choose to opt out 90 days prior to the end of the performance period. Opt-out notifications must be sent to the EEU, DPS, and Commission.
2. If a participant withdraws from the program they must wait until the next enrollment period to reapply.

ii. The customer will need to demonstrate their commitment to pursuing cost effective energy efficiency (electric and thermal), demand management, combined heat and power, or energy storage, independent of technical support from EEU. This includes adhering to all DPS requirements of claiming and verifying energy savings.

iii. Potential participants will complete an application form created by the DPS. This will include:

1. Attestation from the participants authorized representative agreeing to follow all program requirements, which includes working in partnership with the EEU and DPS to complete all required activities associated with calculating, verifying, and claiming energy savings.
2. The name, title, and contact information of the designated onsite staff that will be responsible for developing, analyzing, implementing, and verifying projects. This will be the main point of contact for the DPS and the EEU through the Customer Credit Program. This person should be a Certified Energy professional or professionally licensed engineer in the State of Vermont.

iv. The CCP will be capped, such that total EEC contributions associated with the program will be no more than $1,000,000 per year. If summation of EEC of applications exceeds the cap, priority will be given to the highest electric energy users.

2) **Participant requirements -** The following are the responsibility of the participant company and the individual whose has been named on the application form as the main point of contact for the CCP.

a. The participant is responsible for identifying cost effective projects and calculating the associated annualized energy savings (kWh or MMBtu), power reductions (kW), load shape of when the savings will occur, defining the power reductions during the peak periods, and calculating interactive effects of coincident savings (such as water or thermal). These energy savings calculations need to be documented in such a way that all inputs are documented with a source that is verifiable by a third-party auditor. The participant is required to document how the energy savings will be verified and provide metered or BMS trended data to substantiate the savings being claimed. The individual performing this work will hold a formal energy or environmental certification or be a licensed mechanical or electrical engineer or have an applicable degree from an Accreditation Board for Engineering and Technology ("ABET")-accredited institution.

b. Before implementing projects, the participant will draft and submit a Project Submission Form to the EEU's. The Project Submission Form will be developed by the EEU's and contain all the information needed to complete cost-effectiveness screening.

c. EEC Reporting: Provide monthly EEC contribution reporting to the EEU. The participants must provide this data to the EEU by the end of the month following the date of the bill, or risk losing access to those funds.

Note: Reported EEC contributions not used for approved project reimbursement within 36 months of collection are forfeited for use by the Participant and returned to the electric efficiency fund.

d. Communication with the EEU when a project is complete, and energy savings have been verified. The Participant agrees to provide post-implementation project information as required to the EEU and the Department. The information may include project completion forms and other supporting documentation.

3) EEU requirements

a. EEC Data: Collects and maintains individual participant EEC data, collective EEC data, and net available balances for participants and the program.
b. The EEU will receive project narrative and savings calculations from the participants required to establish societal cost effectiveness screening.
c. The EEU will collect and maintain project data, savings results, and documentation provided by the CCP participant for program tracking and reporting.
d. The EEU will administer the reimbursement of CCP funds as projects are completed and energy savings are verified.

4) Department of Public Service responsibilities

a. Post-project completion savings verification. Occurs within the standard Annual Savings Verification process.

5) Projects

a. For a project to be supported with CCP funds, it must pass the Societal Cost-effectiveness Screening
   i. Electric Efficiency Projects: Screening inputs include measure life, energy savings, project cost, and load shape of when the energy will be saved. Projects are screened under two classifications:
      1. Market Opportunity/ Equipment replacement: screening is based on the incremental cost and incremental savings of the proposed equipment when compared to either industry standard practice or the States adopted Commercial Building Energy Standard.
      2. Retrofit: This assumes that the reason for the project is to save energy. In this case screening is based on full project costs and full energy savings being realized.
   ii. Non-electric efficiency projects: The EEU's in coordination with the DPS and in consultation with the participants, will develop methodologies for any non-electric efficiency measures that are not yet characterized.
b. Funds shall not be used for the purchase or installation of new equipment capable of combusting fossil fuels.
c. Restrictions of participation in EEU Programs
   i. Participants cannot receive midstream program rebates. Participants must repay any midstream rebates they receive.
   ii. Participants cannot receive EEU standard rebates.
   iii. Participants will not receive technical assistance from the EEU without remuneration at current EEU billing rates.
   iv. Participants are restricted from engaging with any custom projects and incentive offers while they are enrolled in the CCP. If a participant has an existing executed Incentive Agreement prior to enrolling in the CCP, the measures indicated on that agreement will not be eligible as CCP projects. Participants

cannot receive both an EEU custom incentive and reimbursement with CCP funds for the same project or energy saving measure.

6) Shared savings with multi-funders: Participants may engage with multiple funders for projects. When there are multiple funders for a single project, the allocation of project benefits should be proportional to different funders' project investments, except that EEU's shall not claim the energy savings for these participants directed measures and projects. The allocation of energy savings proportional to the funding will be used for screening. Examples of other funders include the electric utility, Vermont Gas, federal or state grants.
7) Participant Reimbursements
    a. The CCP participant must provide the EEU with all project-related information necessary for the EEU to evaluate the cost-effectiveness of qualified expenses for projects as well as the viability of the project being pursued before any reimbursement will be considered. The following expenses are allowable for reimbursement from the participants accrued EEC balance after cost-effectiveness and project viability are determined:
        i. A participant can be reimbursed for up to 25% of the cost of an audit, engineering study, or project feasibility analysis undertaken as part of a proposed project design and development.
        ii. Participants may be reimbursed up to 100% of project costs, including labor, equipment, controls, materials, shipping, and taxes. Note: This is true even if the incremental cost was used for screening a market opportunity project.
    b. CCP Account Accrual
        i. Participants accrue access to 90% of EEC collections, net of weatherization and gross receipts taxes.
        ii. Participants may be reimbursed up to 100% of project costs, for both market opportunity and retrofit projects that pass screening.
        iii. EEC collections are available for Participant reimbursements for 36 months after the EEC is incurred on the monthly utility bill. The Participant may apply to keep funds up to six years if more than three years is needed to complete a project as long as the funds are obligated to that project.
    c. Reimbursement Process
        i. Participant is responsible for notifying the EEU when the project is completed, and will be required to provide invoices, equipment submittals, and any other supporting documentation requested.
        ii. Reimbursements will be processed after the approved project is completed, and energy savings are verified. Payment will be mailed to the participant within 30 days of the final verification and check request.
        iii. Reimbursement payment may be made to third parties (e.g., contractors) upon Customer Credit Program participant request and their completion of applicable forms.
8) **Annual Reporting**
    a. Participants are not required to create separate annual progress reports.
    b. Program reporting will be accomplished as part of standard EEU annual reporting.
9) **Department savings verification**
    a. CCP savings verification will be performed by the Department and its evaluator as part of its standard, annual EEU savings verification process.