

STATE OF VERMONT
PUBLIC UTILITY COMMISSION

Case No. 24-3335-INV

2024 filing of updates to Energy Efficiency Utility Triennial Plans for 2024-2026	
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DEPARTMENT OF PUBLIC SERVICE
COMMENTS ON CITY OF BURLINGTON ELECTRIC DEPARTMENT
JUNE 20, 2025 LETTER

On June 25, 2025, the Public Utility Commission (“Commission”) issued a procedural order concerning the City of Burlington Electric Department’s (“BED”) June 20, 2025 letter titled “Planned Use of Surplus Thermal Energy and Process Fuels (“TEPF”) funds.” The order requires that comments on BED’s letter and requests for additional process be filed with the Commission no later than July 15, 2025.¹ The Department of Public Service (“Department”) offers the following comments in response to BED’s letter.

Act 44 of 2023 provided BED with the statutory authority to utilize TEPF funds to support programs in the transportation sector. Act 44 includes a provision in Section 1(f) that states:

Thermal energy and process fuel efficiency funding. Notwithstanding 30 V.S.A. § 209(e), a retail electricity provider that is also an entity appointed under 30 V.S.A. § 209(d)(2)(A), may during the years of 2024–2026, use monies subject to 30 V.S.A. § 209(e) to deliver thermal and transportation measures or programs that reduce fossil fuel use regardless of the preexisting fuel source of the customer, including measures or programs permissible under this pilot program, with special emphasis on measures or programs that take a new or innovative approach to reducing fossil fuel use including modifying or supplementing existing vehicle incentive programs and electric vehicle supply equipment grant programs to incentivize high-consumption fuel users, especially individuals using more than 1000 gallons of gasoline or diesel annually and those with low and moderate income, to transition to the use of battery electric vehicles.

¹ On June 26, 2025 the Department of Public Service submitted a request for a two-week extension that was granted by the Commission’s Order of July 8, 2025.

BED's June 20th letter provides a detailed summary of this statutory provision, and the Department does not contest BED's interpretation of the statute.

BED's plan to utilize surplus TEPF funds to replace either in full or in part the federal Electric Vehicle ("EV") tax credit for Burlington customers is an allowable use of those funds under Act 44. Nonetheless, the Department believes those funds could be better spent on other measures, particularly weatherization work to support low- and moderate-income Vermonters as discussed below. This is because the majority of the potential benefits of BED's planned use will likely flow to wealthier Burlington customers who are able to afford the purchase of a new EV. If BED replaces the federal EV tax credit in full, the cost of the vehicle that remains to be paid is still likely to be too expensive for low- and moderate-income Burlington customers to afford. Utilization of surplus TEPF funds for the purpose of replacing the federal EV tax incentive for Burlington customers appears to be aimed at ensuring that the transportation sector targets in Burlington's NetZero City goals are achieved, rather than prioritizing weatherization and reduction of fossil fuel usage for low- and moderate-income BED customers in Vermont Gas Systems ("VGS") territory. In the Department's view, such an approach reflects skewed priorities and would result in a missed opportunity.

The work required to weatherize multifamily buildings can be complex and is almost certainly more difficult to implement than offering EV incentives. This is why the Department views the expanded authorization under Act 44 as a golden opportunity for BED to accelerate weatherization project completions, particularly in areas of BED territory served by VGS where TEPF funds previously could not be used. In recent years BED has reported very few comprehensive weatherization completions despite an existing Burlington City policy aimed at

supporting rental weatherization standards for low- and moderate-income Vermonters.² This is likely in part due to the limitation of serving only customers in their territory who use unregulated fuels such as oil and propane with TEPF funds. Thus the opportunity to weatherize BED customers in VGS territory offers a rare if not unique chance for BED to level up weatherization work.

The Department notes that VGS has a relatively robust weatherization program and stable of weatherization contractors whom they contract with regularly. Additionally, Champlain Valley Office of Economic Opportunity (“CVOEO”) administers the Home Weatherization Assistance Program (“WAP”) locally in the Burlington region for income qualified households. VGS and CVOEO are organizations that BED could develop a partnership with to target weatherization services at multi-family low- and moderate-income renter occupied buildings. Such a partnership would be consistent with Burlington City policy of supporting rental weatherization standards for low- and moderate-income homes and would also be what the Department considers “a program that takes a new or innovative approach.”³ Additionally, as BED noted in their letter, use of TEPF funds could help income-eligible customers weatherize their buildings sooner. As the Department has discussed with BED, the Department views this as an ideal outcome and would constitute the best and highest use of available TEPF funds.

In sum, BED can be said to be prioritizing achieving a stated target that disproportionately benefits their more prosperous customers at the expense of seizing an opportunity to better serve their less well-off customers. In its letter filed in this case on June 20,

² Vermont Department of Public Service “2025 Annual Energy Report” at 99.

³ <https://legislature.vermont.gov/Documents/2024/Docs/ACTS/ACT044/ACT044%20As%20Enacted.pdf>

2025 BED indicates it plans to explore and discuss such a weatherization program with the Department and file a letter of intent no later than November 1, 2025. Therefore, prior to the Commission taking any further action on this matter, the Department recommends the Commission order BED to work with the Department now and in the future to direct more TEPF funding to weatherization projects as opposed to incentives for EVs. The Department appreciates the opportunity to offer comments on BED's proposed use of TEPF funds.

Dated at Montpelier, Vermont this 29th day of July 2025.

VERMONT DEPARTMENT OF PUBLIC SERVICE

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