Efficiency Vermont

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Holly Anderson, PUC Clerk
Vermont Public Utility Commission
112 State Street
Montpelier, VT 05620-2701

Re: Case No. 25-0443-INV, Efficiency Vermont Comments Responding to the Commission's Questions and Party Workshop Comments on Energy Burden

Dear Ms. Anderson,

On June 16, 2025 the Vermont Public Utilities Commission ("Commission") held a workshop in Case No. 25-0443-INV, Investigation Pursuant to Act 142/Creation of a Statewide Program to Reduce Energy Burden. At the July 16 workshop, Efficiency Vermont staff presented on Efficiency Vermont's experience addressing energy burden through collaboration and through its programs. Specifically, Efficiency Vermont shared its experience supporting and running programs that support low-income Vermonters, existing programs that address energy burden in the State, and collaboration with the Weatherization Assistance Programs ("WAPs") and electric Distribution Utilities ("DUs"). The Commission released a request for comments responding to their questions and the July 16 workshop with a filing deadline of August 29, 2025. This filing provides Efficiency Vermont's response.

i. *Act 142 directs the Commission to "make a determination as to whether a statewide program to reduce energy burden is needed in Vermont." The Commission requests input from all stakeholders addressing this question with respect to: (a) a statewide program to assist customers with low-income with their electric utility bills, and (b) a statewide program designed to reduce transportation, thermal, and/or electric energy costs for low- and-moderate-income households through investments in efficiency or electrification measures.*

Efficiency Vermont, the Statewide Energy Efficiency Utility ("EEU"), currently delivers programs to the State that address energy burden. Based on the resources Efficiency Vermont currently has access to, its programs are focused on home energy use, and coordinate with the low-income programs in the State. Based on statutory restrictions within 30 V.S.A. 209, Efficiency Vermont does not currently offer direct assistance for efficient transportation, though transportation costs are a critical component of assessing a home's total energy burden.

Efficiency Vermont recommends the Commission's Energy Burden Report support existing programs that focus on reducing energy burden currently, and supports recommendations to the legislature that grow the existing programs without intentionally removing existing service providers or confounding to the ongoing coordination between programs that help to eliminate gaps in support to low-and moderate-income Vermonters. It is both financially and logistically efficient for the State to support the ongoing work addressing energy burden that is well-coordinated and supports the layering of benefits from a variety of program providers, as we describe in detail in the next section. The existing programs listed below address low-and moderate-income Vermonter's energy use and costs by leveraging the expertise and capacity of each involved programs' organization. This process of coordination additionally eases the customer experience, which is a critical component of addressing energy burden.

ii. Please provide recommendations as to how existing programs may be better coordinated to ensure low- and moderate-income Vermonters are reducing their total energy consumption and/or costs.

In the July 16 workshop, Efficiency Vermont presented the following examples of existing programs that highlight the coordination currently ongoing between existing programs to ensure low-income Vermonters are reducing their total energy consumption and/or costs.

1. Low-Income Fuel Switch is a service for low-income households that had been previously weatherized through a WAP to have a heat pump installed in their home at no cost. This program is led by Efficiency Vermont, and requires coordination with WAPs, Distribution Utilities, as well as with contractors and installers.
2. Efficiency Vermont's Targeted High Use ("THU") program provides direct installation of electric saving products and appliances, such as refrigerators, freezers, clothes washers, dehumidifiers, heat pumps, and heat pump water heaters to income qualifying customers with high electricity usage. This program decreases electricity consumption, and therefore electricity costs, for low-income customers.
3. Efficiency Vermont's Income Qualified Home Performance with Energy Star ("HPwES") Weatherization program exists in tandem with the WAPs, and provides an additional option for customers who may want the flexibility to select a contractor on their own and define the timeline and staging of their project, particularly at times when WAP capacity in their region is limited and program waiting lists are longer.
4. Efficiency Vermont's ARPA funded Home Repair Program served Vermont residents who own a single-family home and whose annual household income falls at or below low or moderate-income guidelines. This program was for owners of existing single-family Vermont residences and rental properties who were planning to weatherize but needed to address barriers before starting a weatherization project. The funding for this program at Efficiency Vermont has been fully allocated, though as part of this program, Efficiency Vermont continues to provide funding to WAPs to provide home repairs that cannot be fully funded by their respective programs and budgets.

A significant portion of Efficiency Vermont's work that is centered on addressing energy burden is coordinated with WAP operations and functions, and vice versa. Efficiency Vermont is not recommending a change to statewide programs for addressing energy burden because the longstanding collaborative working relationship between these entities is currently being managed effectively, and any change to the current relationships would be more likely to have negative consequences than to materially gain benefits for customers and energy-burdened households.

iii. Please identify any obstacles and recommended solutions for increasing coordination across electric, thermal, and transportation energy cost reduction programs, including through the sharing of best practices and program design and implementation successes.

The current status quo is a complex and overlapping set of policies that require the EEU to follow strict siloing of costs for EEC and TEPF budgets. The EEU's costs furthermore cannot compete with or duplicate Tier III, WAP, VTRANS incentives or benefits. Further, the funding for thermal programs is constrained and nearly always over-subscribed. The Commission has already conducted investigations and recommended a thermal efficiency charge for delivered fuels in other proceedings[1] as a means to grow thermal benefit programs in the state. For lack of growing the capacity of thermal programs in the state, the current approach for providing benefits could be improved greatly with a more fuel-neutral budgeting process for EEUs that allows comprehensive projects (i.e., those that save both electric and thermal costs for Vermonters) to proceed under a single uniform cost-effectiveness test for societal benefits, and continued adherence to minimum standards for providing electric system benefits.

iv. *If a statewide program is recommended, please: a. Explain whether existing programs should continue to operate and align with a new statewide energy cost stabilization program or whether existing programs should cease operations. b. Identify the most appropriate financing mechanism for a statewide energy cost stabilization program. c. Describe any recommended eligibility requirements for a statewide energy cost stabilization program. d. Suggest and describe a process for making and monitoring eligibility determinations for a statewide energy cost stabilization program. &*

v. *Stakeholders may provide information or data to support or challenge the assumption in Act 142 that "electric costs might rise but that total energy costs are expected to decrease because of increased electrification, efficiency, storage, and demand response activities."*

Efficiency Vermont recognizes that it is relatively straight forward and simple to compare fuel costs against each other, and in some, or even many, cases the cost of replacing fossil fuel with electrification may show a cost savings in a 1:1 replacement. However, each customer's energy use can be unique, and variables such as floor plan, form of heating system, location of electrification devices (i.e., placement of a heat pump), whether the home has been recently weatherized, or customer behavioral choices can all have a significant impact on whether energy cost-savings will be manifested. Accordingly, Efficiency Vermont believes that where cost-advantages do exist for electrification, it still takes an invested customer and a technical expert from the EEU, or a trained contractor, to support and train that customer on how to optimize use of their energy systems to achieve reliable cost savings. This general observation arises in the Department's most recent AMI evaluation of ductless heat pumps, which presents compelling results that customers tend to use heat pumps less frequently than what would be optimal for cost savings and fossil fuel reduction. Efficiency Vermont continues to believe that high efficiency heat pumps have a role in Vermont homes and businesses as a high efficiency cooling and heating device, but to assure the greatest opportunity for cost savings by those customers will require a greater investment in time, technical support, and training of customers for the long-term use of this equipment. This might also be addressed through electric rates managed by distribution utilities to encourage the use of heat pumps over more expensive fossil fuels. For example, in Massachusetts the Distribution Utilities have recently been authorized to implement a heat pump rate that lowers the total rate of electricity use during the heating months for heat pump customers. This rate is intended to be cost-neutral for customer rate classes and encourage optimal use of the more efficient installed heat pumps to reduce total energy costs.[2]

In Efficiency Vermont's Energy Burden Report[3] , the Appendix titled Reducing Energy Burden provides a table, shown below, showing various measures and projects, the annual savings and lifetime savings (in dollars), and reduction in total annual energy burden. The estimates of how measures and projects would impact energy burden is for a household of median income, living in a baseline Vermont home, with assumptions from the Efficiency Vermont and Renewable Energy Standard Technical Reference Manuals ("TRMs"). MMBtu cost savings are calculated using fuel oil as the existing fuel. It is assumed that each measure is installed on its own, and rather than in combination with other measures, which is the most

[1] Report to the Vermont Legislature-Second Checkback Report on the Clean Heat Standard Under Act 18 of 2023, Section 6(i) | Public Utility Commission

[2] https://www.mass.gov/news/all-electric-utility-customers-will-soon-be-eligible-for-heat-pump-discount-rates

[3] 2023-EfficiencyVermont-EnergyBurdenReport.pdf, P. 21,Appendix A

common practice for customers, particularly with higher cost projects. While this table does not capture how various projects and measures will impact a low-income Vermonter's energy burden, it is demonstrated that there are savings associated with energy efficiency and electrification measures. In Efficiency Vermont's Low-Income Participation Screening Tool, used in Efficiency Vermont's Low-Income Fuel Switch program, a calculation captures what a customer pays per unit of fuel, and estimates fuel savings. Efficiency Vermont does not save the data that is input into this tool, though it can share that on average there are energy cost savings in fuel switching for participating customers.

Reducing Energy Burden

Category	Action	Annual $ Savings	Lifetime $ Savings	Reduction in Total Annual Energy Burden
Low-Cost Measures	Replace a standard programmable thermostat with a smart thermostat	$158	$1,577	2.2%
	Replace a standard showerhead with a low flow showerhead	$72	$646	1.0%
	Replace a standard high flow faucet aerator with a low flow faucet aerator	$18	$158	0.2%
	Replace an incandescent light bulb with an LED	$11	$166	0.2%
Appliances	Replace an oil water heater with a heat pump water heater	$449	$5,832	4.3%
	Replace a standard electric water heater with a heat pump water heater	$299	$3,884	4.2%
	Replace a pre-1993 refrigerator with a high efficiency refrigerator[31]	$138	$2,343	1.9%
	Replace a 1993-2001 refrigerator with a high efficiency refrigerator	$49	$840	0.7%
	Replace a standard dehumidifier with an ENERGY STAR dehumidifier	$46	$550	0.6%
	Replace an inefficient fossil fuel furnace/boiler with a high efficiency fossil fuel furnace/boiler	$190	$4,268	2.7%
Comprehensive Weatherization	Comprehensive weatherization (including air sealing, whole building insulation, window improvements, and attic/ceiling/wall insulation).	$467	$11,680	6.6%
Ductless Heat Pumps	Install a single zone heat pump in a home heated by fossil fuels	$215	$3,223	3.0%
	Install a multi zone heat pump in a home heated by fossil fuels	$560	$8,402	7.9%
Electric and Plug-in Hybrid Vehicles	Change from a fossil fuel powered vehicle to a new all electric vehicle	$835	$6,683	11.8%
	Change from a fossil fuel powered vehicle to a used all electric vehicle	$835	$3,341	11.8%
	Change from a fossil fuel powered vehicle to a new plug-in hybrid electric vehicle	$695	$5,559	9.8%
	Change from a fossil fuel powered vehicle to a used plug-in hybrid electric vehicle	$695	$2,780	9.8%

vi. Stakeholders may also provide written comments responding to any other issues raised at the workshop or relevant to the Commission's report pursuant to Act 142.

At the July 15 workshop, the Department of Public Service ("the Department") suggested that the State has room to improve IT services, and that additional funding is needed for WAPs to coordinate funding opportunities.[4] In the filed recording of the workshop, the Department recommends some portion of funds that be raised for the total programs in the state should go to CAP agencies to help with coordination of programs, in replacement of a discount on a customer's bill. The Department described this as reshuffling funds to effectuate a more coordinated approach and tying programs into a bundle to make it easier for ratepayers to access these services.

The moderate-income sector in Vermont is served by Efficiency Vermont where its programs are adequately programmed to serve moderate income customers that are not being served by WAPs. Efficiency Vermont coordinates accordingly with the WAPS to ensure customers are enrolled in the appropriate program for them. Serving moderate-income customers requires the development and delivery of programs to specifically address this income group. The type of support that moderate income customers require varies from the type of support low-income customers require. Moderate-income customers generally do not receive direct installation and zero cost to the customer projects. Efficiency Vermont's midstream markets are designed specifically to support the moderate-income market. As Efficiency Vermont supports more grants and contracts, Efficiency Vermont has become increasingly comfortable with the type of income statements needed. Efficiency Vermont currently does not ask for tax statements to keep on record and instead uses self-screening to identify market rate customers from moderate income customers.

Just as Efficiency Vermont delivers programs specific to moderate-income customers, WAPs serve low-income customers, as their programs are designed to do so. Efficiency Vermont builds on WAP's existing programs with its current add-ons. Efficiency Vermont has the growing capacity to serve, and has developed and delivered programs, to support moderate-income Vermonters. Any change to the responsibilities of the WAPs and Efficiency Vermont's and their specialty focus support for these groups of Vermonters would impact the existing work that addresses the barriers and gaps that exist for these Vermonters. Additionally, any change the Department is suggesting by redirecting funds from Efficiency Vermont to WAPs for IT support would create a further gap in support moderate income Vermonters.

vii. Finally, if stakeholders wish to have further workshops in this proceeding, please make specific proposals to the Commission regarding the topics to be discussed.

Efficiency Vermont does not have comments on the procedural schedule of this proceeding at this time.

Sincerely,

Emily R

Emily Roscoe
Project Manager

[4] #25-0443-INV 7/16/2025 Workshop, 2:27:16