

STATE OF VERMONT
PUBLIC UTILITY COMMISSION

Case No. 24-3335-INV

2025 filing of updates to Energy Efficiency Utility Triennial Plans for 2024-2026	
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Order entered: 09/22/2025

**ORDER ADDRESSING BURLINGTON ELECTRIC DEPARTMENT’S PLANNED USE OF SURPLUS
THERMAL ENERGY AND PROCESS FUELS FUNDS**

I. INTRODUCTION

This case concerns the Energy Efficiency Utilities’ (“EEU”) 2025 updates to the triennial plans for the 2024-2026 performance period. The Vermont Public Utility Commission (“Commission”) has appointed three entities to serve as EEUs: Efficiency Vermont, the City of Burlington Electric Department (“BED”), and Vermont Gas Systems, Inc. (“Vermont Gas”). BED has filed a letter describing its planned use of surplus thermal-energy and process-fuels (“TEPF”) funds through 2026, which we are treating as an update to its triennial plan. In this order, we determine that we cannot adopt the Department of Public Service’s (“Department”) recommendation that we order BED to direct more TEPF funding to weatherization projects as opposed to incentives for electric vehicles.

II. BACKGROUND AND PROCEDURAL HISTORY

On August 18, 2022, the Commission issued an order in Case No. 22-2954-PET opening the 2024-2026 Demand Resources Plan Proceeding. On September 26, 2023, the Commission issued an order in that case approving BED’s Demand Resources Plan (“DRP”) update for 2024-2026.

On June 1, 2023, Public Act No. 44 took effect.¹ Act 44 provided for an additional three years, 2024-2026, of the pilot program established in Public No. Act 151² that allowed the use of electric energy efficiency charge funds for greenhouse gas emission reduction programs. Act 44 also included a provision in Section 1(f) regarding the use of TEPF funds:

¹ Vermont Public Act No. 44 (2023 Vt., Bien. Sess.).

² Vermont Public Act No. 151 (2020 Vt., Adj. Sess.).

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.

On November 13, 2023, BED filed a proposed amended DRP in Case No. 22-2954-PET to reflect the implementation of greenhouse gas emission reduction programs as authorized by Act 44. On January 10, 2024, the Commission issued an order approving BED’s amended DRP for 2024 and requiring further process for program years 2025 and 2026.

On May 30, 2024, Public Act No. 142 took effect.³ Act 142 made several changes to Act 44, including specific changes to the budgetary authorization for BED as follows:

An entity appointed under 30 V.S.A. § 209(d)(2)(A) that has a three-year electric resource acquisition budget of less than \$8,000,000.00 may spend up to \$800,000.00 of its resource acquisition budget, and any additional amounts the entity has available to it through annually-budgeted thermal energy and process fuel funds and carry-forward thermal energy and process fuel funds from prior periods, on programs, measures, and services that reduce greenhouse gas emissions in the thermal energy or transportation sector.⁴

Act 142 also allowed the budgeting and spending by an EEU on greenhouse gas emission reduction programs, measures, and services by notice only, rather than requiring Commission review and approval.

On June 11, 2024, BED filed notice in Case No. 22-2954-PET, pursuant to Act 142, of its Act 142 plans and budgets. On July 16, 2024, the Commission issued an order accepting BED’s amended DRP.

On November 1, 2024, BED filed its 2025 update to its 2024-2026 triennial plan in this case. BED identified \$1,493,297 in net TEPF revenues and \$891,000 in planned TEPF resource-acquisition budgets. BED noted that, if it has TEPF funds remaining after funding its planned

³ Vermont Public Act No. 142 (2024 Vt.).

⁴ Sec. 1(b) of Sec. 7 of Act 142.

TEPF programs, it may augment its existing Tier III and Act 44 programs by enhancing incentives in those programs to increase program participation and improve the cost-competitiveness of electrification. On March 18, 2025, the Commission issued an order approving BED's triennial plan update.

On June 20, 2025, BED filed a letter titled "Planned Use of Surplus Thermal Energy and Process Fuels funds."

On July 29, 2025, the Department of Public Service ("Department") filed comments on BED's letter.

On August 14, 2025, BED filed an update to its planned use of surplus TEPF funds.

On August 29, 2025, BED filed a further update to its planned use of surplus TEPF funds.

There have been no further comments or requests for additional process regarding BED's June 20 letter.

III. PARTIES' POSITIONS

In its June 20 and August 14 letters, BED identifies its planned uses of unspent TEPF funds through 2026. First, BED intends to fund 50% of the incentive for several prescriptive Act 44 measures, using approximately \$225,000 of unspent TEPF funds. These measures include heat pumps, electric vehicle supply equipment, electric vehicles, and geothermal well testing. Second, BED intends to use up to \$555,000 to support or augment custom Tier III electrification projects. Third, BED plans to use an estimated \$700,000 to fund the cost share for a U.S. Department of Energy grant project focused on flexible thermal load management in residential and commercial buildings ("Building GIANTS"). Fourth, BED plans to use approximately \$607,500 to boost its electric vehicle incentives to help customers mitigate the elimination of the federal electric vehicle ("EV") tax credit effective at the end of September 2025. Finally, in response to the Department's comments described below, BED's updated plans reserve \$50,000 to support residential weatherization initiatives. BED maintains that it is not required to seek Commission approval of planned uses of TEPF funds that are consistent with the requirements of Act 142 and that an order from the Commission directing BED to work with the Department would be inconsistent with the provisions of Act 142.

In its August 29 letter, BED withdrew its proposal to use \$700,000 of unspent TEPF funds for the cost share of its Building GIANTS grant. Instead, BED proposes to reallocate those funds to support custom and prescriptive Tier III measures, with the intent to fund more cumulative rebates. BED also provided details on its planned use of the \$50,000 reserved for residential weatherization. BED proposes to use this money to support technical assistance and implementation to accelerate progress on property owners' compliance with Burlington's rental housing weatherization policy by partnering with Burlington's Department of Permitting and Inspections.

The Department does not contest BED's interpretation of Act 142 that Commission approval is not required for uses of TEPF funds that are consistent with Act 142. Although BED's plan to use surplus TEPF funds to replace the federal EV tax credit for Burlington customers is an allowable use of those funds under Act 44, the Department contends that those funds could be better used on other measures, particularly to support weatherization work for Vermonters with low and moderate income. The Department reasons that the majority of the potential benefits of BED's planned use will likely flow to wealthier Burlington customers who are able to afford to purchase an EV. The Department maintains that, even with the full replacement of the federal EV tax credit, the remaining cost of the vehicle would still likely be too expensive for Burlington customers with low and moderate income to afford. The Department opines that using surplus TEPF funds to replace the federal EV tax credit "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" BED customers with low and moderate income in Vermont Gas Systems' ("VGS") territory.⁵ "In the Department's view, such an approach reflects skewed priorities and would result in a missed opportunity."⁶ The Department views the expanded authorization to use TEPF funds as an opportunity for BED to accelerate weatherization project completions, particularly in areas of Burlington served by VGS, where TEPF funds previously could not be used. The Department notes that BED has reported very few comprehensive weatherization completions in recent years and suggests that the opportunity for BED to weatherize its customers in VGS's territory is a

⁵ Department comments at 2.

⁶ Department comments at 2.

chance for BED to level up its weatherization work. The Department proposes that BED could develop a partnership with VGS and the Champlain Valley Office of Economic Opportunity, which administers the Home Weatherization Assistance Program in the Burlington region, to target weatherization services at multi-family low- and moderate-income renter-occupied buildings. The Department views this as the best and highest use of available TEPF funds.⁷

Before taking any further action on this matter, the Department recommends that 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.

IV. DISCUSSION AND CONCLUSION

Every three years the EEUs are required to file triennial plans that reflect their planned implementation of Commission-approved DRPs. In the second and third years of each performance period, the EEUs are required to file updates to their triennial plans. We treat BED's June 20, August 14, and August 29 letters as updates to the TEPF portions of its 2024-2026 triennial plan. Historically, the Commission has reviewed and approved BED's and Efficiency Vermont's TEPF plans as required by 30 V.S.A. § 209(d)(2)(B)(ii).

Act 142 allows BED to use any of its TEPF funds through 2026 on programs, measures, and services that reduce greenhouse gas emissions in the thermal energy or transportation sector. Because Acts 44 and 142 eliminate the Commission's approval under Section 209(d)(2)(B)(ii), BED can propose spending on programs, measures, and services that reduce greenhouse gas emissions in the thermal energy or transportation sectors without Commission approval provided its activities are consistent with Act 142. We do not understand Act 142 as authorizing the Commission to order BED to direct TEPF funding to particular programs, measures, or services. Through Act 142, the Legislature removed the Commission's discretion with respect to BED's TEPF-funded plans through 2026, provided they are consistent with Act 142's requirements. Therefore, we cannot adopt the Department's recommendation that BED direct more TEPF funds to weatherization projects as opposed to incentives for EVs.

Even so, we note that BED continues to have Commission-approved TEPF quantifiable performance indicators and minimum performance requirements for the 2024-2026 performance

⁷ Department comments at 3.

period. BED has failed to meet most, if not all, of its Commission-approved TEPF performance metrics in recent years.⁸ Failure to meet any minimum performance requirement serves as a presumptive basis for initiating an overall performance assessment of an EEU earlier than the next scheduled occurrence.⁹ It stands to reason that BED would focus its TEPF spending first on programs, measures, and services that are intended to produce measurable and attributable results that can be counted toward BED's TEPF performance metrics.¹⁰

BED's August 29 filing did not include specific budget allocations for the \$700,000 that it is directing away from the Building GIANTS grant support. Accordingly, we direct BED to make a compliance filing showing specific budget allocations for all of its TEPF funds through 2026. We make no further determinations regarding BED's June 20, August 14, and August 29 TEPF plan updates at this time. This case will remain open for the remainder of the calendar year for any additional triennial plan updates from any of the EEUs.


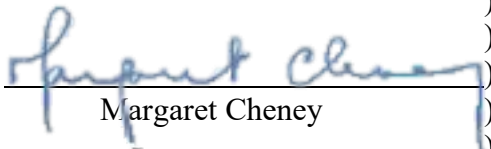
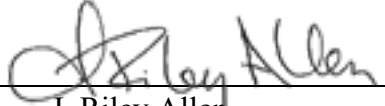
SO ORDERED.

⁸ In Case No. 25A-1601, the Department reports that BED failed to meet all its TEPF performance metrics in the 2021-2023 performance period. In Case No. 23A-0265, the Commission concluded that BED failed to meet all its TEPF performance metrics for the 2018-2020 performance period. In Case No. 19A-0933, the Commission concluded that BED failed to meet most of its TEPF QPIs and its single TEPF MPR.

⁹ Section III.1.E.(c) of the Process and Administration of an Energy Efficiency Utility Order of Appointment document, issued December 27, 2022, in Case No. 22-1647-PET.

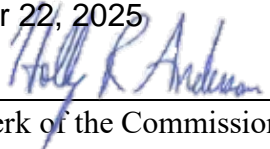
¹⁰ The Department recently filed comments indicating that it will be "prohibitively" expensive, if not impossible, to evaluate or attribute any impact from BED's Act 142/44 activities due to the stacking of incentives, and that it is impossible to disaggregate the influence or impact of the portion of incentives from each funding source. Case No. 22-1473-PET, Department comments of 8/8/25.

Dated at Montpelier, Vermont, this 22nd day of September, 2025.

 _____)) PUBLIC UTILITY
Edward McNamara)	
 _____)) COMMISSION
Margaret Cheney)	
 _____)) OF VERMONT
J. Riley Allen)	

OFFICE OF THE CLERK

Filed: September 22, 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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