

STATE OF VERMONT
PUBLIC SERVICE BOARD

EEU-2010-06

In re: EEU Demand Resources Plan)

Order entered: 4/2/2014

ORDER RE REVISED THERMAL-ENERGY-AND-PROCESS-FUELS
QUANTIFIABLE PERFORMANCE INDICATORS FOR EFFICIENCY VERMONT

I. INTRODUCTION

In this Order, the Vermont Public Service Board ("Board") approves a revised target for a quantifiable performance indicator ("QPI") for thermal energy and process fuels ("TEPF") to be used by Efficiency Vermont ("EVT"). The QPI is used to address annual incremental net MMBtu savings for the 2012-2014 performance period. The revisions reflect changes in the estimate of available TEPF funds for the 2012-2014 period.

Appendix A to this Order contains the revised approved QPI target, as well as the additional unchanged TEPF QPI targets approved in the July 3, 2012, Order in this proceeding (the "July 3rd 2012 Order").

II. BACKGROUND

Pursuant to Vermont Energy Investment Corporation's ("VEIC") Order of Appointment,¹ performance compensation is to be paid based on the attainment of three-year QPIs that are established as part of the Demand Resources Plan ("DRP") process. The DRP process is used to determine the QPI targets, including corresponding incentive amounts attached to each and the financial consequences for under-performance.

1. VEIC serves as Vermont's statewide Energy Efficiency Utility ("EEU"), known as Efficiency Vermont. *See* Order of Appointment issued by the Board on 12/20/10, in Docket 7466.

In the July 3rd 2012 Order, the Board approved TEPF QPI targets addressing annual incremental net MMBtu savings (QPI 1), residential single family comprehensiveness (QPI 2), minimum level of spending in the residential sector (QPI 3), and minimum level of spending on low-moderate income customers (QPI 4). The July 3rd 2012 Order also approved a process for making adjustments to TEPF QPI targets in the likely event that the available TEPF budget differs from the estimated budget.²

In an August 2, 2013, Order (the "August 2nd 2013 Order"), the Board approved a revised TEPF QPI target addressing incremental net MMBtu savings to reflect changes in the estimate of available TEPF funds for the 2012-2014 period. All other TEPF QPI targets, which are percentage based, did not require adjustment.

On March 5, 2014, VEIC filed a proposed revised QPI target addressing incremental net MMBtu savings based upon revised TEPF budget estimates. VEIC represented that the Vermont Department of Public Service ("Department") supports the proposed revision.

No participants filed written comments on the proposed update to the TEPF QPI target.

III. DISCUSSION AND CONCLUSION

VEIC, in consultation with the Department, proposes that the QPI target addressing annual incremental net MMBtu savings be adjusted to reflect increased TEPF budget estimates. VEIC is proposing to increase the existing QPI target of 149,000 MMBtu, by 4 percent to 155,000 MMBtu. The proposed increase reflects an estimated 3 percent increase in the TEPF funds available for the 2012-2014 performance period. All other TEPF QPI targets are percentage-based and do not require adjustment. The proposed TEPF QPI targets are contained in Appendix A to this Order.

We conclude that the revised budget estimates for TEPF activities should result in an increase to the QPI target addressing incremental net MMBtu savings. The adjustment to this

2. Pursuant to 30 V.S.A. §§ 209(e)(1)(A), 209(e)(1)(B), and 255(d), revenues from the ISO New England's Forward Capacity Market and proceeds from the Regional Greenhouse Gas Initiative auctions are used to provide TEPF services.

QPI target is consistent with the methodology for adjusting TEPF QPI targets that we approved in the August 2nd 2013 Order and July 3rd 2012 Order.

Therefore, we approve the proposed updated TEPF QPI target for EVT that addresses incremental net MMBtu savings, including 100% target levels, super-stretch targets, corresponding incentive amounts attached to it (reflecting weighting), scaling calculations, and the financial consequences for under-performance. (Appendix A to this Order sets forth the modified TEPF QPI target that we approve today, along with the additional QPI targets approved in the July 3rd 2012 Order.)

IV. ORDER

IT IS HEREBY ORDERED, ADJUDGED AND DECREED by the Public Service Board of the State of Vermont that the quantifiable performance indicators for thermal energy and process fuels to be used by Efficiency Vermont for the 2012-2014 performance period shall be those shown in Appendix A to this Order.

Dated at Montpelier, Vermont, this 2nd day of April, 2014.

<u>s/ James Volz</u>	)	
	)	
	)	
<u>s/ John D. Burke</u>	)	
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	)	
<u>s/ Margaret Cheney</u>	)	

PUBLIC SERVICE
BOARD
OF VERMONT

OFFICE OF THE CLERK

FILED: April 2, 2014

ATTEST: s/ Susan M. Hudson
Clerk of the Board

NOTICE TO READERS: This decision is subject to revision of technical errors. Readers are requested to notify the Clerk of the Board (by e-mail, telephone, or in writing) of any apparent errors, in order that any necessary corrections may be made. (E-mail address: psb.clerk@state.vt.us)

Appeal of this decision to the Supreme Court of Vermont must be filed with the Clerk of the Board within thirty days. Appeal will not stay the effect of this Order, absent further order by this Board or appropriate action by the Supreme Court of Vermont. Motions for reconsideration or stay, if any, must be filed with the Clerk of the Board within ten days of the date of this decision and Order.