

STATE OF VERMONT  
PUBLIC SERVICE BOARD

Docket No. 7770

Amended Joint Petition of Central Vermont )  
Public Service Corporation ("CVPS"), Danaus )  
Vermont Corp., Gaz Métro Limited Partnership )  
("Gaz Métro"), Gaz Métro inc., Northern New )  
England Energy Corporation ("NNEEC") for )  
itself and as agent for Gaz Métro's parents, )  
Green Mountain Power Corporation ("GMP") )  
and Vermont Low Income Trust for Electricity, )  
Inc. ("VLITE"), for approval of: (1) the merger )  
of Danaus into and with CVPS; (2) the )  
acquisition by NNEEC of the common stock of )  
CVPS; (3) the amendment to CVPS's Articles of )  
Association; (4) the merger of CVPS into and )  
with GMP; and (5) the acquisition by VLITE of )  
a controlling interest in Vermont Electric Power )  
Company, Inc. )

Order entered: 3/ 21/2013

**ORDER TO EXTEND DEADLINE FOR THERMAL EFFICIENCY INVESTMENTS BY CEED FUND**

In a filing on January 15, 2013, related to the proposed 2013 Annual Plan for the Community Energy Efficiency Development Fund ("CEED Fund"), Green Mountain Power Corporation ("GMP") asked the Public Service Board ("Board") to modify the Board's Order of June 15, 2012 ("June 15 Order"). Specifically, GMP requests that the Board modify Condition 56 of the June 15 Order to extend the deadline for \$2 million in thermal efficiency investments by the CEED Fund (for customers who do not qualify for Vermont's Weatherization Program) from December 1, 2013, to December 1, 2014. In this Order, the Board grants GMP's request.

GMP observes that the December 2013 deadline was intended to ensure that these investments were made before the 2013-2014 heating season. GMP reports that during the stakeholder process that led to the 2013 Annual Plan for the CEED Fund:

it became clear that several favorable innovative programs would require a longer start-up and implementation. Similarly, more established programs would require higher levels of direct customer incentives to overcome the shorter implementation period barrier, which would reduce the amount available for other program investments by meaningful amounts."<sup>1</sup>

The CEED Fund's 2013 Annual Plan projects that approximately \$1.5 million of the total \$2 million available for these thermal efficiency investments will be made in 2013.<sup>2</sup>

The Vermont Department of Public Service (the "Department") supports the proposed deadline extension.<sup>3</sup> Vermont Energy Investment Corporation ("VEIC"), which the Board has appointed as the statewide energy efficiency utility, filed comments on the deadline extension request.<sup>4</sup> VEIC supports the deadline modification proposed by GMP, "and agrees that this extension will allow more customers to be served and provide additional implementation time for new, innovative programs."<sup>5</sup> The Board did not receive any comments opposing the deadline extension.

Based on the rationale set forth by GMP in the January 15 letter and the CEED Fund 2013 Annual Plan and the support for the deadline extension by the Department and VEIC, the Board grants GMP's request. Accordingly, the Board modifies Condition 56 of the June 15 Order<sup>6</sup> as follows:

56. GMP, through the CEED Fund, shall also invest before December 1, 2014, at least \$2 million in thermal efficiency improvements for customers who do not qualify for Vermont's Weatherization Program.

The Department additionally proposes an interim milestone schedule "to maximize delivery of customer benefits associated with CEED Funds while providing adequate opportunity

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1. Letter from Peter H. Zamore for GMP to the Clerk of the Board, dated and filed on January 15, 2013, at 2. Enclosed with the letter was the CEED Fund's 2013 Annual Plan.

2. CEED Fund's 2013 Annual Plan at 15.

3. Letter from Jeanne Elias of the Department to the Clerk of the Board, dated and provided by e-mail on March 6, 2013 ("Department's Comments") at 1.

4. VEIC is not a party to the proceeding in this docket.

5. Letter from Michael Wickenden of VEIC to Clerk of the Board, dated and provided by e-mail on March 6, 2013, at 1. VEIC submitted an earlier letter, dated February 22, 2013, that also stated its support for the deadline extension.

6. June 15 Order at 161.

to implement new and innovative programs that may require longer start-up."<sup>7</sup> The schedule proposed by the Department is as follows:

- December 1, 2013 - All funds allocated and obligated to program implementers and a status report of projects that have been completed.
- April 30, 2014 - All projects identified and notification made to customers of their planned incentive amount.
- December 31, 2014 - Final fiscal reporting of thermal investment (except for monies held-back from program implementers to ensure contractual performance).

GMP agrees that all funds will be allocated and committed by December 1, 2013, under contracts for each proposal approved by the Board.<sup>8</sup> GMP observes that these "contracts will allow funding to be redirected (subject to Board approval) in the event that GMP determines the program to not be effectively serving customers, or will not be completed by the applicable deadlines."<sup>9</sup> GMP states that it "will provide information concerning all funds allocated and committed, and all amounts invested in each program for projects completed as of December 1, 2013, with the Board by January 15, 2014."<sup>10</sup>

With respect to the milestone proposed by the Department for April 30, 2014, GMP agrees that "non-mutual fund approved programs will identify all projects and notify customers of their planned incentive amounts by that date and GMP will include such requirements in its contracts with such program implementers."<sup>11</sup> Because of circumstances related to "mutual fund" investments in programs sponsored by VEIC, GMP is unable to provide assurance that all customer notifications will occur prior to April 30, 2014, although it represents that "the vast majority of projects for which we will be billed will have had communications occurring months earlier such that the general objectives requested by the [Department] are respected."<sup>12</sup>

GMP states that "all thermal programs will be completed by the December 31, 2014 deadline, and all thermal funds will be invested in approved programs to benefit customers

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7. Department's Comments at 1.

8. Letter from Peter H. Zamore for GMP to the Clerk of the Board, dated and provided by email on March 8, 2013 ("GMP's Reply Comments") at 1.

9. GMP's Reply Comments at 1-2.

10. GMP's Reply Comments at 2.

11. GMP's Reply Comments at 2.

12. GMP's Reply Comments at 2.

without need for further reallocation."<sup>13</sup> GMP will report by June 15, 2014, "on the projects identified, customers notified and the amounts, if any, that have been reallocated to the [Home Performance with Energy Star] program."<sup>14</sup>

The Board finds the Department's proposed schedule, as qualified and modified in GMP's Reply Comments, to be an appropriate means of meeting CEED Fund objectives. Accordingly, the Board adopts such schedule.

**SO ORDERED.**

Dated at Montpelier, Vermont, this 21<sup>st</sup> day of March, 2013.

<u>s/James Volz</u>	)	
	)	PUBLIC SERVICE
	)	
<u>s/David C. Coen</u>	)	BOARD
	)	
	)	OF VERMONT
<u>s/John D. Burke</u>	)	

OFFICE OF THE CLERK

FILED: March 21, 2013

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.*

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13. GMP's Reply Comments at 2.  
14. GMP's Reply Comments at 2.