



Electronically filed via ePUC

September 1, 2020

Judith Whitney, Clerk
Vermont Public Utility Commission
112 Main Street
Drawer 20
Montpelier, VT 05620-2701

Re: Case No. 20-2022-INV, 2021 Energy Efficiency Charge

RE: Determining energy efficiency charge rates for 2021 pursuant to Public Utility
Commission Rule 5.300

Dear Mrs. Whitney:

Public Utility Commission (“Commission” or “PUC”) Rule 5.306 (B) requires an energy efficiency utility (“EEU”) to file with the Department of Public Service (“Department”) by September 1 if it proposes to utilize an alternate methodology for establishing its energy efficiency charge (“EEC”) for the upcoming year.

As the Commission is aware, in the demand resource proceeding (“DRP”) that is underway in Case No. 19-3272, VGS has proposed a financing mechanism to smooth the rate impact of its expanded efficiency proposals. VGS does not view this mechanism as an alternate methodology for establishing its EEC. It will still use the formulas and inputs laid out in Rule 5.304(F) and 5.305(G). Should the Commission approve the framework proposed by VGS in the DRP, it would simply change the input to “Total Natural Gas EEU Fund” in 5.305(G)1.b. While VGS is not proposing an alternate EEC calculation methodology, it is taking this opportunity to alert the Commission to several considerations that will be reflected in its upcoming October 1, 2020 EEC calculation proposal for 2021. First, the October 1, 2020 filing will include whatever 2021 DRP budget is approved by the Commission in Case No. 19-3272. Additionally, should the Commission approve the financing structure proposed by VGS, the EEC rate filed will be set to limit the impact of those budgets on the EEC.

Next, on August 12, 2020 the Department filed a recommendation regarding the reallocation of unspent Energy Efficiency Funds¹. It is unclear whether or not the DPS' recommendations would be considered a deviation from Rule 5.300. Should the Commission approve the DPS' recommendation, or some version of it, VGS assumes that the Order approving the recommendation would also specify how it should be treated in the 2021 EEC calculation. Should the matter still be pending on October 1, VGS is prepared to provide the Commission with EEC rate proposals with and without the DPS' recommendation.

As always, I am available to answer any questions you may have regarding this filing.

Sincerely,

A handwritten signature in black ink that reads "Richard Donnelly". The signature is written in a cursive style with a large, prominent "R" and "D".

Richard Donnelly
Manager – Energy Services

Cc: Sean Foley, Brian Cotterill, Keith Levenson, DPS

¹ Case 20-2241-PET Petition of the PSD to open a proceeding in determination of reallocation of unspent 2015-2017 EEU funds.