



October 1, 2020

Ms. Judith C. Whitney, Clerk  
Vermont Public Utility Commission  
112 State Street, Drawer 20  
Montpelier, VT 05620

Re: 2021 Electric Efficiency Charge

Dear Ms. Whitney,

Pursuant to Public Utility Commission ("Commission") Rule 5.306(A), the City of Burlington Electric Department ("BED") submits the attached calculation of the 2021 electric energy efficiency charge ("EEC") for review and approval. The proposed EEC was calculated in accordance with Rule 5.305(F) using all of the applicable billing determinates as well as the inputs from our filing last year. The new EEC is expected to generate \$1,907,615 in collections.

To establish the appropriate level of electric energy efficiency collections via the EEC, BED assumes the Commission will approve, without adjustment, BED's proposed 2021 - 2023 demand resource plan budget in Case 19 - 3272. Further, BED has incorporated into the 2021 EEC, two additional adjustments. First, this year's EEC includes a downward adjustment to reflect the Commission's recently issued Order regarding funds carried over from the 2015 - 2017 DRP performance period.<sup>1</sup> Second, this year's EEC also includes an upward adjustment to reflect the impact of new legislation (SB 337).

SB 337 states, in part:

*(b) Notwithstanding any provision of law or order of the Public Utility Commission (PUC) to the contrary, the PUC shall authorize an entity pursuant to subsection (a) of this section to spend a portion of its electric resource acquisition budget, in an amount to be determined by the PUC but not to exceed \$2,000,000.00 per year, on programs, measures, and services that reduce greenhouse gas emissions in the thermal energy or transportation sectors.*

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<sup>1</sup> See; Case 20-2241- PET, Vermont Department of Public Service request for determination of reallocation of unspent 2015-2017 EEC funds, Order of 9/24/2020.



Accordingly, BED has incorporated \$142,088 into the 2021 EEC calculation to fund additional activities permitted under SB 337. The table below shows how we arrived at this amount, and further highlights the adjustments we intend to make in subsequent Rule 5.306 (A) filings. The amounts proposed below are calculated in accordance with SB 337 and do not result in a cumulative 2021- 2023 EEU budget in excess of the previously approved EEU budget during the 2018 – 2020 performance period.

	2021	2022	2023	Cumulative
RA only, 2021- 2023 DRP	\$ 2,253,894	\$ 2,165,430	\$ 2,227,282	\$ 6,646,606
RA only, 2018- 2020 DRP	\$ 2,395,982	\$ 2,544,509	\$ 2,544,509	\$ 7,485,000
SB 337 Total	\$ 142,088	\$ 379,079	\$ 317,227	\$ 838,394
3 yr. Avg				\$ 279,465

In accordance with the above-referenced statute, BED shall further develop, in consultation with the Department and other relevant state agencies, measures that are complementary to (but not duplicative of) our Tier III programs and services for the Commission to review. Such a proposal will be filed with the Commission within the next four to six weeks. In the meantime, BED offers the following summary of some potential opportunities that may be allowable under SB 337 that we are currently evaluating:

- Working in coordination with DEV, Vermont’s distribution utilities and relevant state agencies, BED will work to develop a web-based shopping exchange for prospective EV owners to research EVs and compare EV prices in Vermont. Such an exchange tool will seek to leverage area dealership involvement and encourage them to offer discounted EV prices and services as a member of the exchange. A similar exchange is operating with success in [Massachusetts](#).
- Working in coordination with DEV, Vermont’s distribution utilities and relevant state agencies, BED will develop outreach and educational training materials for Area dealerships about the benefits of driving electric.
- Provide additional incentives for customers who purchase a more efficient AEV or PHEV, as measured by MPGe. This would be a rebate available at the point of sale or an interest-rate buydown available at the point of sale, only for vehicles that are above a certain MPGe rating. Since a MPGe baseline for AEVs and PHEVs does not currently exist, BED will propose a baseline MPGe concurrent with our next filing for stakeholders to review and comment on. This upstream rebate would help



ensure the AEV or PHEV selected is among the more efficient models. A similar approach is already in place for cold-climate heat pumps, where upstream rebates from efficiency utilities are available to help ensure consumers can purchase more efficient and climate-appropriate models. For additional information relative to EV efficiency or MPGe, visit: [fueleconomy.gov](http://fueleconomy.gov).

- Conduct Burlington-specific consumer market research to inform how we could modify our approach to, and content of, future customer outreach and education campaigns to further the adoption of electric vehicle and heat pump technologies.
- Develop with a third party, like Vermont CarShare, a “Try before you Buy” program where funds are used to pay for the temporary use of an EV (for a limited period of time).
- Continue offering Green Stimulus incentives for certain technologies where such additional incentives are quantifiably moving the market. <sup>2</sup>

In conclusion, BED respectfully requests Commission approval of BED’s proposed 2021 EEC in accordance with the attached schedule for each customer class. The effect of the above-noted adjustments is a 26.4 percent net reduction in estimated total collections across all customer classes relative to 2020 EEC collections. Such a reduction is due primarily to the adjustment related to the 2015 - 2017 DRP performance period. Below, we provide a summary of the proposed 2021 EEC rates relative to 2020 EEC rates.

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<sup>2</sup> Green Stimulus incentives refers to electric resource acquisition funds rolled over from 2019 into 2020 and have been used to provide enhanced incentives for eligible electric efficiency measures during the COVID-19 pandemic.



Rate Classifications		2021	2020	% diff
w/o Demand Charges	Residential	\$0.00718	\$0.00894	-19.7%
	Commercial	\$0.00552	\$0.00868	-36.4%
	Industrial	\$0.00527	\$0.00569	-7.4%
w/ Demand charges	<i><u>Commercial</u></i>			
	kWh	\$0.00333	\$0.00526	-36.6%
	kW	\$0.86064	\$1.34860	-36.2%
	<i><u>Industrial</u></i>			
	kWh	\$0.00346	\$0.00372	-6.9%
	kW	\$1.32897	\$1.42430	-6.7%
	Public street lighting	\$0.0055	\$0.0087	-36.5%
<b>Total EEC to be Billed by BED</b>		<b>\$1,907,615</b>	<b>\$2,593,346</b>	<b>-26.4%</b>

Please do not hesitate to contact us with any questions or concerns.

Sincerely,

Thomas Lyle,  
 Programs and Policy  
 Burlington Electric Department  
 585 Pine Street  
 Burlington Vermont 05401  
 Tel: 802-865-7335