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January 7, 2022

Holly Anderson, Clerk
Vermont Public Utility Commission
112 State Street
Montpelier, Vermont 05620

Re: Case No. 20-0203-INV Investigation into the establishment of reduced rates for low-income residential ratepayers of Vermont electric utilities

Dear Ms. Anderson:

On October 27th, 2021, the Vermont Public Utility Commission ('Commission') amended the Commission's September 28, 2021 Order requesting the distribution utilities provide information responses by January 7th, 2022. Stowe Electric ('Stowe') now offers the following responses.

1. Statewide Funding Mechanism.

As stated in the previous comment filed in this docket, Stowe does not support a utility ratepayer fee for a low-income fund. *See* Case 20-0203-INV, Stowe Comments, 06/01/2020, p. 2. Stowe remains concerned about increasing electric bills for our ratepayers. Stowe understands the significance of energy costs on low-income Vermonters but does not agree that a ratepayer fee should fund either a local (Stowe Electric only) or a Statewide fund electric bill assistance program. Stowe will also need financial assistance to upgrade billing and collections software to manage a new energy assistance fee. *See also* comments filed in this docket by Hyde Park Electric, 06/01/2020, pp 3-4, Vermont Electric Cooperative, 01/07/2022, p.1, and Burlington Electric, January 5th, 2022.

Stowe has concerns regarding the administration of a statewide funding mechanism. The Commission presented several examples for distributing funds based on total customers, percentage of low-income customers, or level of participation in the low-income program, which Stowe believes will leave some utilities at a disadvantage and might not provide the proposed support to low-income Vermonters. *See* Case No. 20-0203-INV, PUC Order Requesting Information, 09/28/2021, p.2. AARP's most recent filing also highlights the challenge of administering this fee and fund fairly among the utilities and Vermonters. *See* Case No. 20-0203-INV, Comments of AARP, 01/05/2022, pp 4-5. Stowe agrees with AARP that any support fund should be distributed evenly among Vermonters and cost shifting between utilities should be resolved fairly and prior to implementing a Statewide fund. *See Id.* pp 3-4.

In the Tier 3 low-income equity benchmark filing, Stowe stated that the Statewide 31% low-income population likely does not capture the actual percentage of low-income persons in each utility service territory. *See* 21-4080-INV, Stowe Electric Comment, 09/24/2021, pp 2-4. If Stowe receives funding for an electricity assistance plan based on a 31% low-income population and the actual low-income population is closer to 8%, the fund manager will have to develop a plan to manage the excess funding set aside for Stowe - e.g., would Stowe apply the excess funds to refund our ratepayers for the collected fee, refund the Statewide fund, or provide additional funding to low-income customers. Otherwise, Stowe ratepayers would provide a larger subsidy to the State fund, then the utility can offer low-income Stowe customers.

Stowe is interested to learn how this fee will impact low-income customers with beneficial electrification projects. As Vermont electrifies heating, cooling, and transportation, customers will experience increased electric bills. As weatherization and beneficial electrification shift Vermonters away from fossil fuel costs and potential financial benefits from State and Federal fuel assistance programs, stakeholders in this docket should understand how a low-income rate combined with increased electricity usage and decreased fuel assistance impacts low-income Vermonters. If the intent is to reduce the financial burden on Vermonters from increasing energy costs, then increasing electricity usage without understanding how State and Federal assistance programs are impacted might not improve the finances of low-income Vermonters.

Stowe is also concerned about how cooperative and municipal utilities can avoid some of the issues presented in Green Mountain Power's ('GMP') presentation in this docket on the audit completed by GDS Associates. For example, Stowe does not have the staff or funding to:

- support low-income customers navigate onerous application requirements and re-enrollment requirements.. *See* Case No. 20-0203-INV, GMP Presentation, 07/06/2021.
- to refund a surplus fund balance to its ratepayers. *Id.*
- grant arrearage forgiveness without outside funding or a mechanism to recover the arrearage forgiveness. *Id.*
- fund outreach and ratepayer education beyond the utility's website, newsletter, and social media accounts. *Id.*

2. 30 V.S.A. § 218(e) Framework.

At this time, Stowe does not have an opinion regarding how a statewide funding mechanism to fund a low-income bill assistance program comports with 30 V.S.A. §218(e). The Department of Public Service and VEC make compelling arguments regarding this issue in the docket. *See* Case No. 20-0203-INV, DPS comment, 06/01/2020, pp. 1-3, and VEC Comment, 01/07/2022, p.2.

3. Alternatives.

Stowe supports Hyde Park's concept of allowing for community action groups to seek donations and other funding sources to provide financial assistance directly to low-income Vermonters. *See*

Case No. 20-0203-INV, HPE comment, 06/01/2020, p. 2. This concept can increase community support, utilize existing community action agencies and non-profits, and help the utility reach the most vulnerable Vermonters directly.

Similarly, Stowe supports VPPSA's concept to allow a utility to collect excess net-metering credits from customers to be applied to off-set low-income customer bill. *See* Case No. 20-0203-INV, VPPSA comment, 06/01/2020, p. 6. Stowe has received questions from net-metering customers about offering excess or expiring credits to non-profits or low-income residents. This also reinforces community support that is critical to any successful social benefit program.

Finally, the distribution utilities are fully engaged in the Tier 3 incentive offerings that serve all ratepayers and weatherization projects that offer either direct financial utility support or staff time to support Community Action Agencies and Efficiency Vermont programs. These programs need focused funding and technical assistance and should be allowed to mature before adding additional programs for the utilities to implement. In short, beneficial electrification, energy transformation incentives, weatherization projects, and low-income utility owned solar programs should be the focal point of relieving the energy burden for low-income Vermonters.

Conclusion

Stowe believes that the decision to create a statewide funding mechanism for low-income utility customers through a utility ratepayer fee should involve the Legislature and relevant stakeholders. Stowe is supportive of continuing this discussion and looks forward to the next step.

Electronically filed in Stowe, Vermont on January 7th, 2022

Sincerely,

_____/s/_____

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