

STATE OF VERMONT
PUBLIC UTILITY COMMISSION

Case No. 22-2954-PET

Petition of the Department of Public Service to open an energy efficiency utility Demand Resources Plan proceeding for the 2024-2026 and 2027-2029 performance periods	
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Order entered: 06/16/2023

COMMISSION FINAL PRE-HEARING INFORMATION REQUESTS

This case concerns the petition of the Department of Public Service to open an energy efficiency utility Demand Resources Plan (“DRP”) proceeding. Vermont Public Utility Commission (“Commission”) staff have reviewed the evidence filed to date and, pursuant to the Commission’s schedule adopted by Order of April 28, 2023, request that the parties respond to the following information requests by no later than June 23, 2023.

VGS

1. Page 11, A7 of Mr. Perrin’s rebuttal testimony: Mr. Perrin states that following review of Ms. Launder’s direct testimony regarding Development and Support Services, Vermont Gas revisited its descriptions in the Information Technology category. Vermont Gas concluded that its plans to deploy website improvements would result in reductions to its resource-acquisition costs. As a result, Vermont Gas “will consult with the Department about shifting relevant funds from [Development and Support Services] to [Resource Acquisition.]” Vermont Gas is requested to provide updated budgets reflecting this proposed shifting of funds, and to quantify any changes to performance metrics or savings goals that result. If Vermont Gas is unable to provide this information by June 23, 2023, Vermont Gas is directed to state when this information will be available. If Vermont Gas has already provided this information, please state where in the record it can be found.
2. Page 4, lines 7-14 of Mr. Levenson’s surrebuttal testimony: Mr. Levenson describes two modifications to Vermont Gas’s compromise proposal for a performance incentive

mechanism (described as “Basis Point Reduction with Sliding Scale” in Mr. Perrin’s rebuttal testimony). First, Mr. Levenson recommends Vermont Gas’s proposal to allow “increases in the [rate of return] only after all seven [quantifiable performance indicators] have met the 80% performance threshold.” Second, Mr. Levenson proposes that Vermont Gas “could only earn a [rate of return] above baseline if all seven [quantifiable performance indicators] achieve 100% performance.” Mr. Perrin is requested to state in a written response to this information request how Vermont Gas responds to Mr. Levenson’s proposed modifications.

3. Page 6, line 7 of Mr. Levenson’s direct testimony: Mr. Levenson recommends that the Commission impose a cap of \$10.5 million on VGS’s borrowing. Mr. Perrin is requested to state in a written response to this information request how Vermont Gas responds to Mr. Levenson’s proposed cap on borrowing. If Vermont Gas has already provided this information, please state where in the record it can be found.
4. Please explain how Vermont Gas arrived at the target values for minimum performance requirements #10 and #11 on page 32 of Exhibit VGS-TP-1.

Efficiency Vermont

1. In Mr. Cotterill’s 2/23/23 testimony, the Department recommends that the proposed flexible load management budget be reduced to a total of \$1,224,160 (\$1,200,000 in real dollars) and be redirected to the broader resource-acquisition budgets to acquire approximately 2,000 more first-year MWh savings and associated lifetime MWh savings, summer and winter peak demand reductions, and total resource benefits. Please explain whether Efficiency Vermont agrees with the Department’s characterization that approximately 2,000 more first-year MWh savings will be achieved by the reduction and redirection of the flexible load management budget. Please address how this change in budget would affect Efficiency Vermont’s proposed flexible load management program and the approximate amount by which it would change the proposed flexible load QPI targets.

2. Mr. Cotterill states in 6/2/23 testimony that if the final state budget includes \$700,000 for refrigerant management, then the Department recommends the Commission reflect the incremental benefits that would be made possible by the incremental funding in Efficiency Vermont's QPI targets for the 2024-2026 performance period. For example, the combined effect of the funds already included in the model (\$350,000) and the incremental funding (\$700,000) together would result in 3,000 metric tons of CO_{2e} reductions and 790 MWh of savings. Assuming one third of the benefits are already accounted for, the Department recommends adding 2,000 ($3,000 \times 0.666 = 2,000$) metric tons of CO_{2e} reductions and 526 MWh ($790 \times 0.666 = 526$). Please explain whether Efficiency Vermont agrees with this adjustment.

3. Because the Energy Savings Account pilot program will not be continued past 2023, the Department and Efficiency Vermont agree that a formulaic adjustment to Efficiency Vermont's savings modeling and QPI targets will be needed to reflect that the program will be discontinued and that benefits will not be a combination of both electric and thermal savings. The Commission requests that Efficiency Vermont provide this formulaic adjustment in advance of the evidentiary hearing or with the initial brief following the hearing. If Efficiency Vermont is unable to provide the adjustment in advance of the hearing or with the briefs, the Commission requests that Efficiency Vermont provide a time estimate of when the information will be available.

BED

1. The Process and Administration of an Energy Efficiency Utility Order of Appointment document requires specific stakeholder engagement when EEUs develop their DRP Proposal, including the following: (A) "An EEU shall engage with stakeholders to solicit input that will inform its development of a DRP proposal"; (B) "Once it has developed a draft DRP proposal, an EEU shall solicit input from stakeholders on its draft prior to filing its DRP proposal with the Commission"; and (C) "An EEU shall seek input from the Department, Vermont utilities, weatherization agencies, and regional planning

commissions.”¹ It appears from BED’s testimony (Rebuttal/Surrebuttal Prefiled Testimony of Christopher Burns and Exhibit Numbers Sur BED-1 through 3) that BED plans to perform thorough stakeholder outreach six to eight months before the DRP filing to *inform* the DRP. Once BED has developed a draft DRP, what is BED’s intent to obtain stakeholder input and feedback on its draft DRP (i.e., fulfill “B” of the Process and Administration document)?

Department

1. Mr. Levenson states in 6/2/23 testimony that the Department intends to work with Efficiency Vermont to maximize the utilization of federal funds for residential weatherization and thermal equipment upgrades going forward. Please provide an update on the availability of federal funds for the 2024-2026 performance period.
2. Mr. Levenson states in 6/2/23 testimony that the Department proposes to reduce the minimum residential spending target in minimum performance requirement #5 from 62.5% of total TEPF spending to 60%. Does this change the expected savings for Efficiency Vermont’s TEPF programs? Please explain whether there is a need to change the proposed TEPF QPI targets due to any changes in expected savings.
3. On April 12, 2023, the Commission issued an information request to the Department and the City of Burlington Electric Department. Based on a review of the case record, it does not appear that the Commission has received a response from the Department regarding Question 1, which relates to Ms. Launder’s direct testimony. Please provide a response to this question. If the Department has already provided this information, please state where in the record it can be found.

¹ See *EEU Proceeding to review orders of appointment and process and administration document*, Case No. 22-1647-PET, Order of 12/27/22, which approved the most recent Process and Administration of an Energy Efficiency Utility Order of Appointment (the “P&A Document”), at 7.

4. On March 28, 2023, and April 12, 2023, the Commission requested information from the Department regarding its proposed evaluation plan and budget, focusing on the \$633,036 evaluation budget labeled “Thermal Energy and Process Fuels BED.” In turn, the Department filed responses on April 10 and April 21, 2023. In Mr. Murphy’s April 21 supplemental testimony, he states on page 4, lines 19-22, “The remaining 4% of the costs include administrative costs, verification of TEPF projects and costs associated with the thermal portion of the market characterization studies. These activities all have descriptions contained within the evaluation plan previously submitted.” Please confirm that the referenced 4% includes \$21,900 for BED TEPF annual savings verification, as described in Exhibit DPS-BM-1. Please confirm that the Department’s annual savings verification reports for program years 2024-2026 will address BED’s TEPF program savings. Please identify whether the Department’s annual savings verification reports in recent years have addressed BED’s TEPF program savings. If yes, please provide relevant case numbers.

SO ORDERED.

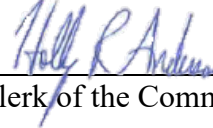
Dated at Montpelier, Vermont, this 16th day of June, 2023.



Thomas Knauer
Hearing Officer

OFFICE OF THE CLERK

Filed: June 16, 2023

Attest: 
Clerk of the Commission

Notice to Readers: This decision is subject to revision of technical errors. Readers are requested to notify the Clerk of the Commission (by e-mail, telephone, or in writing) of any apparent errors, in order that any necessary corrections may be made. (E-mail address: puc.clerk@vermont.gov)

PUC Case No. 22-2954-PET - SERVICE LIST

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