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October 5, 2023

Holly R. Anderson
Clerk of the Commission
112 State Street
Montpelier, VT 05620-2701

Re: Case No. 23-2220 RULE

Dear Ms. Anderson:

Please find attached for filing on behalf of the Vermont Fuel Dealers Association and the Heating and Cooling Contractors of Vermont, comments from Matt Cota.

Thank you.

Sincerely,

DINSE P.C.

Joshua R. Diamond

Joshua R. Diamond, Esq.

JRD/cap



October 5, 2023

Holly R. Anderson
Clerk of the Commission
112 State Street
Montpelier, VT 05620-2701

Re: Proceeding to design the potential Clean Heat Standard
Case No. 23-2220 RULE, Comments on Early Action Credits.

Dear Ms. Anderson:

On behalf of the Vermont Fuel Dealer's Association (VFDA) and the Heating and Cooling Contractors of Vermont (HCCV), I submit the following in response to the Vermont Public Utility Commission's (PUC) request for comments on early action credits. The recommended measures set forth below will further the legislative intent of the Affordable Heat Act and ensure equity for those that have already entered the marketplace to install and deliver clean heat measures.

As noted by the PUC in its Order, the Affordable Heat Act, 30 V.S.A. § 8124(c), provides:

"Beginning January 1, 2023, clean heat measures that are installed and provide emission reductions are creditable. Upon the establishment of the clean heat credit system, entities may register credits for actions taken starting in 2023."

This clear and unequivocal language demonstrates that the Legislature wanted installers and energy providers to immediately begin the implementation and sale of clean heat measures. This work will help Vermonters convert from their historical thermal fossil fuel use by engaging in weatherization, utilizing sustainable sourced biofuels, or converting to electric thermal sources to reduce greenhouse gas emissions. The Legislature wanted to incentivize this work now because time matters. The Legislature did not want to wait until the eventual implementation of the clean heat standard, which could be as late as 2025. See Act 18 (2023) at § 6(f).

VFDA and HCCV believe that immediate regulatory clarity on installations and the delivery of clean heat measures retroactive to January 1, 2023, is needed to implement the Legislature's intent. Some VFDA and HCCV members have been installing heat pumps in customer homes and businesses. Others sell renewable liquid and/or solid fuels. A clear understanding of the record keeping or other criteria necessary to qualify for clean energy credits is needed to incentivize this early participation. Otherwise, installers and sellers may sit on the sidelines before making additional capital and labor investments necessary to engage in such activities. Moreover, this is also a matter of equity and fairness. Those

businesses that have already made the investments and initiated the process of installing and delivering clean heat measures should be able to take advantage of the opportunity to earn early action credits as contemplated by the Affordable Heat Act.

30 V.S.A. § 8127(l)(2) provides a helpful roadmap. It states that presentment of the following information is required to receive credit:

- Location of the clean measure;
- Whether the customer or tenant has a low or moderate income;
- Type of property where the clean heat measure was installed or sold; and
- Type of clean heat measure.

VFDA and HCCV recommend that presentment of this information alone should be sufficient to qualify for clean heat credits. In addition, the PUC should issue an order providing a flexible approach towards capturing such information.

Specifically:

- Installers and dealers may rely upon invoices, work orders, or delivery tickets to establish time, location and type of clean heat measure.
- Self-attestations by consumers who purchase or accept delivery of the clean heat measures are sufficient to satisfy the income requirements.
- A rebuttable presumption of ownership to clean heat credits by those who install or deliver the clean heat measures.

An order that contains such elements will provide the requisite guidance needed to assure installers and deliverers of clean heat measures that their efforts will count. It will provide the regulatory stability for others to make investments needed to expand such installations and deliveries needed to achieve the goals set forth in the Affordable Heat Act.

Thank-you for this opportunity to provide comments. We look forward to working with the Vermont Public Utility Commission on this important matter.

Thank you for your consideration.

Sincerely,



Matt Cota

Meadow Hill *on behalf of VFDA and HCCV*