

STATE OF VERMONT  
PUBLIC UTILITY COMMISSION

Case No. 23-2221-INV

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Investigation into the Clean Heat Standard Default Delivery Agent Costs and Quantities	
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Order entered: 12/08/2023

**ORDER ADOPTING SCHEDULE**

**I. INTRODUCTION AND BACKGROUND**

On June 30, 2023, the Vermont Public Utility Commission (“Commission”) issued an order opening this investigation to establish the Default Delivery Agent (“DDA”) credit cost or costs, the quantity of credits to be generated for the subsequent three years, and all other directly related matters, pursuant to 30 V.S.A. § 8125(e)(1). The Commission requested comments from stakeholders and members of the public as to the scope and process to be followed in this proceeding. On October 23, 2023, the Commission issued an order establishing the case scope and procedures. The Commission determined that it would proceed with this case in two tracks and requested recommendations for schedules to address the matters within the two tracks. In this Order, the Commission establishes the schedule for this proceeding.

**II. PARTICIPANT COMMENTS**

On November 6, 2023, schedule recommendations were filed by (1) the Vermont Department of Public Service (“Department”); and (2) jointly by Efficiency Vermont, Vermont Gas Systems, Inc., the City of Burlington Electric Department, Conservation Law Foundation, Vermont Public Interest Research Group, and the Vermont Natural Resources Council (together, the “Joint Responders”).

*Department*

The Department recommends that the Commission immediately commence a workshop process to develop the eligibility requirements and evaluation criteria for selecting DDA(s), determining the possible number of DDAs, and defining the compensation structure and

responsibilities of the DDAs. The Department refers to this as “Track A.” The Department contends that the Commission should conclude this process by June 1, 2024.

The Department refers to the process of establishing DDA budgets and three-year plans as “Track B.” The Department suggests that the Commission should only undertake the process of establishing DDA budgets and three-year plans after the overall clean heat credit requirement is known and clean heat measure characterizations have been developed. The Department notes that the DDA budget-setting process will be iterative and will not be known for some time because DDA budgets depend on the way obligated parties will seek to satisfy their annual obligations, which will not be known until at least 120 days after the clean heat credit price is determined by the Commission and communicated to the obligated parties.

Because the Department’s thermal sector potential study will not be completed until September 1, 2024, and that study is a foundational element of understanding the types and quantities of measures to be delivered under the program, and because there remain multiple complex topics to be resolved concerning the appointment of DDA(s), the Department contends that it would make sense for the Commission to consider seeking a legislative amendment that would allow the selection of DDA(s) to occur after the potential study is complete.

The Department proposes general schedules for both Track A and Track B.

Track A

January 2024	Workshop 1 to discuss DDA responsibilities and evaluation criteria
February 2024	Written comments and reply comments addressing Workshop 1 topics
March 2024	Workshop 2 on DDA compensation structure
April 2024	Written comments and reply comments on Workshop 2 topic
May 2024	Commission issues draft RFP for DDAs for comment, stakeholders file comments
June 1, 2024	Commission finalizes RFP for DDAs

The Department suggests that the Commission could delay selection of DDA(s) until after the thermal sector potential has been evaluated and clean heat obligations have been established.

Track B

June-August 2024	Commission publishes overall clean heat credit requirement based on January 31, 2024, registrations
	Workshop, written filings, and Commission decision on criteria by which obligated parties' requests to deliver clean heat programs will be evaluated pursuant to 30 V.S.A. § 8125(d)(1)
September 2024	Workshop presentation on the Department's thermal sector potential study
September 2024	Commission issues RFP for DDAs
Early November 2024	DDA proposals due
Late November 2024	Workshop for DDA contract bidders to present their proposals
December 2024	Comments and reply comments on DDA proposals
January 15, 2025	Commission issues decisions on DDA appointments

Following this process, the Department suggests that the Commission would refine DDA budget proposals based on obligated parties' decisions regarding how they will seek to meet their annual obligations.

If the Commission determines not to seek a legislative amendment of the deadline for appointing one or more DDAs, or if the Legislature does not grant such an amendment, the Department suggests that its proposed schedule could be condensed to meet the current statutory deadline. The Department maintains that a condensed schedule would not provide for informed decision-making or robust public participation.

*Joint Responders*

The Joint Responders contend that the statutory deadline for appointing one or more DDAs is ambitious, yet practicable. The Joint Responders suggest a schedule for the sequential development of topics based on statutory requirements. The Joint Responders request that the Commission issue a procedural order to set a timeframe and scope that all stakeholders can use to plan.

For matters within the scope of this proceeding (23-2221-INV), the Joint Responders identify four tracks, with discrete tasks for each track along with process recommendations.

Track 1---DDA criteria

- Task 1: Determine the DDA obligations and responsibilities, and possible number of DDA appointments
  - Process recommendation: comments, reply comments, workshop, and Commission order
- Task 2: Determine DDA eligibility criteria, compensation requirements, and evaluation criteria for DDA appointments
  - Process recommendation: comments, reply comments, workshop, and Commission order

The Joint Responders suggest that this track could take approximately four to six months to complete.

Track 2---Potential study

This suggested track pertains to the Department's thermal sector potential study, which must be completed by September 1, 2024.

Track 3---DDA appointments

- Task 1: Identify process for DDA appointment(s)
- Task 2: Solicit DDA(s)
- Task 3: Vet, review, and carry out process for DDA appointments
- Task 4: Generate DDA orders of appointment
- Task 5: Commission approval

The Joint Responders suggest that this track should commence no sooner than the completion of Track 1.

Track 4---DDA budgets and plans

- Task 1: DDA(s) develop three-year budgets and program proposals, including internal development and stakeholder outreach/coordination

- Task 2: DDA budgets and program proposals submitted to the Commission
  - Review process
  - Determination of DDA cost and collections schedule
- Task 3: Commission issues notice of DDA credit cost
- Task 4: Obligated parties file election form for Commission review
- Task 5: DDA(s) revise budgets and plans if needed

The Joint Responders suggest that Track 4 should commence no sooner than the completion of Tracks 1-3.

### **III. DISCUSSION AND CONCLUSION**

We appreciate the helpful procedural recommendations of the Department and the Joint Responders. The following schedule addresses the topics within the scope of this proceeding, as identified by the Commission in previous orders and as further detailed by the Department and the Joint Responders. The schedule is structured to meet the current statutory deadline for the appointment of one or more DDAs. If that statute is amended, this schedule will change. This schedule does not address the topics within the scope of the companion proceeding 23-2220-RULE, it does not establish schedules for the Technical Advisory Group or Equity Advisory Group, and it does not address a schedule for the Department's thermal sector potential study. A comprehensive schedule for 23-2220-RULE will be forthcoming. The advisory groups will soon establish schedules for their work, and the Commission will make those schedules publicly available. Finally, we find that it is not within our statutory authority to specify a schedule for the Department to complete its work for the thermal sector potential study.

We have endeavored to be as detailed as possible in this schedule. Even so, specific schedules for certain topics within the scope of this proceeding will be established in due course. In addition, this schedule may evolve as more information is learned from members of the public, stakeholders, the Technical Advisory Group, the Equity Advisory Group, and the Commission's consultants. We will issue scheduling orders as needed to communicate amendments and additions to this schedule.

Track 1 Schedule---DDA criteria

December 22, 2023	Deadline for written comments addressing the possible number of DDAs, as well as DDA obligations and responsibilities
January 4, 2024	Workshop to discuss December 22 written filings
January 16, 2024	Deadline for written reply comments addressing December 22 filings and January 4 workshop
February 2, 2024	Target date for Commission decision on possible number of DDAs and DDA obligations and responsibilities
February 9, 2024	Deadline for written comments addressing DDA evaluation criteria, eligibility, and compensation structure
February 20, 2024	Deadline for written reply comments addressing February 9 comments
Week of February 19, 2024	Workshop addressing February 9 and 20 filings
March 15, 2024	Target date for Commission decision on DDA evaluation criteria, eligibility, and compensation structure
March 22, 2024	Target date for draft RFP for DDA(s)
April 1, 2024	Deadline for written comments on (1) draft RFP, (2) recommendations for process to review and appoint DDA(s)
April 8, 2024	Deadline for written reply comments on April 1 filings
April 17, 2024	Target date for Commission decision on process to review and appoint DDA(s) and issuing RFP

The solicitation, review, and appointment of DDAs will occur in a separate proceeding.<sup>1</sup>

Track 2 Schedule---DDA budgets, plans, and credit cost

June 28, 2024	Deadline for written comments on evaluation criteria for obligated parties' plans to deliver clean heat programs
July 12, 2024	Deadline for written reply comments on June 28 filings
Week of July 15,	Workshop on June 28 and July 12 filings, <i>if needed</i>

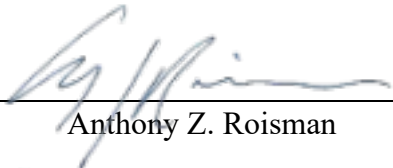
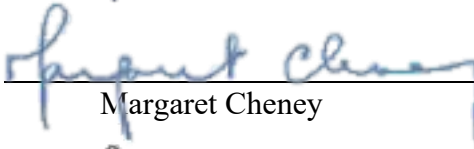
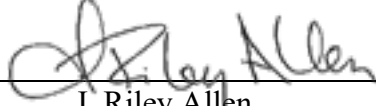
<sup>1</sup> Case No. 23-2221-INV, Order of 6/30/23 at 3 n 6; Order of 10/23/23 at 3.

2024	
August 2, 2024	Target date for Commission decision on evaluation criteria for obligated parties' plans to deliver clean heat programs
September 3, 2024	Department files thermal sector potential study
Week of September 9, 2024	Workshop presentation by Department of thermal sector potential study
November 1, 2024	<ul style="list-style-type: none"> <li>• DDA(s) file three-year budgets and plans, accompanied by testimony and other evidence as appropriate</li> <li>• Deadline for written schedule proposals for review and adjudication of DDA budgets and plans. Proposals should include at least the following elements: (1) opportunity for a workshop presentation, (2) reply testimony and evidence, and (3) evidentiary hearing.</li> </ul>
Week of November 4, 2024	Scheduling conference to discuss schedule for review of DDA plans and budgets

Following the scheduling conference, the Commission will issue an order that adopts a schedule for the review of DDA plans and budgets. The outcome of that schedule will be Commission decisions regarding DDA budgets, plans, and per-credit costs. Following that, the Commission will solicit recommendations for further process, including the filing and review of obligated parties' election forms and the subsequent amendment of DDA budgets and plans, if any.

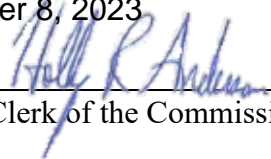
**SO ORDERED.**

Dated at Montpelier, Vermont, this 8th day of December, 2023.

	)	
Anthony Z. Roisman	)	PUBLIC UTILITY
	)	
	)	
Margaret Cheney	)	COMMISSION
	)	
	)	
J. Riley Allen	)	OF VERMONT

OFFICE OF THE CLERK

Filed: December 8, 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](mailto:puc.clerk@vermont.gov))*



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