

STATE OF VERMONT
PUBLIC UTILITY COMMISSION

Case No. 23-2221-INV

Investigation into the Clean Heat Standard Default Delivery Agent Costs and Quantities	
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Order entered: 12/11/2023

**ORDER REQUESTING COMMENTS ON DEFAULT DELIVERY AGENT OBLIGATIONS,
RESPONSIBILITIES, AND NUMBER**

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).¹ On October 23, 2023, the Commission issued an order establishing the scope and procedures for the proceeding and requesting scheduling recommendations.

The Commission has separately issued an order establishing a schedule for the remainder of this investigation. Consistent with that schedule, we are requesting comments addressing the possible number and geographic scope of DDAs as well as a DDA’s obligations and responsibilities. Commenters are requested to provide as much information and detail as possible at this time regarding the specific obligations and responsibilities that would be assigned to a DDA to achieve the tasks specified for a DDA in Act 18. Commenters may wish to address the following topics, in addition to any other relevant topics that they identify. In addition to or in lieu of specific comments, participants are also invited to identify topics or issues to be resolved and to propose agenda items for workshop discussion.

Number and Geographic Scope of Default Delivery Agents

Regarding the number of DDAs, we request comments on the optimal number and potential geographic scope of DDAs. Sections 8125(a) and (b) of Title 30 of the Vermont

¹ Act 18 directs the Commission to appoint one or more statewide default delivery agents to provide services that reduce greenhouse gas emissions from the thermal sector.

Statutes Annotated provide the following regarding the number of DDAs and potential geographic scope:

“(a) Default delivery agent designated. In place of obligated-party specific programs, the Commission shall provide for the development and implementation of statewide clean heat programs and measures by one or more default delivery agents appointed by the Commission for these purposes. The Commission may specify that appointment of a default delivery agent to deliver clean heat services, on behalf of obligated entities who pay the per-credit fee to the default delivery agent, satisfies those entities’ corresponding obligations under this chapter.

(b) Appointment. The default delivery agent shall be one or more statewide entities capable of providing a variety of clean heat measures. The Commission shall designate the first default delivery agent on or before June 1, 2024. The designation of an entity under this subsection may be by order of appointment or contract. A designation, whether by order of appointment or by contract, may only be issued after notice and opportunity for hearing. An existing order of appointment issued by the Commission under section 209 of this title may be amended to include the responsibilities of the default delivery agent. An order of appointment shall be for a limited duration not to exceed 12 years, although an entity may be reappointed by order or contract. An order of appointment may include any conditions and requirements that the Commission deems appropriate to promote the public good. For good cause, after notice and opportunity for hearing, the Commission may amend or revoke an order of appointment.”

Obligations and Responsibilities

Regarding the obligations and responsibilities of a DDA, we request comments addressing at least four major areas: reporting and information sharing, scope of work and budget building, required work areas, and other parts of the potential Clean Heat Standard program that would interact with these obligations and responsibilities of a DDA.

We request comments addressing reporting and information sharing requirements placed on a DDA, with consideration of 30 V.S.A. §§ 8125(d)(3) and (4), and how these sections shape the relationship and interactions between a DDA and Obligated Parties:

“(3) The Commission shall by rule or order establish a standard timeline under which the default delivery agent credit cost or costs are established and by which an obligated party must file its form. The default delivery agent’s schedule of costs shall include sufficient costs to deliver installed measures and shall specify separately the costs to deliver measures to customers with low income and customers with moderate income as required by subsection 8124(d) of this title. The Commission shall provide not less than 120 days’ notice of default delivery

agent credit cost or costs prior to the deadline for an obligated party to file its election form so an obligated party can assess options and inform the Commission of its intent to procure credits in whole or in part as fulfillment of its requirement.

(4) The default delivery agent shall deliver creditable clean heat measures either directly or indirectly to end-use customer locations in Vermont sufficient to meet the total aggregated annual requirement assigned to it, along with any additional amount achievable through noncompliance payments as described in subdivision 8124(f)(2) of this title. Clean heat credits generated through installed measures delivered by the default delivery agent on behalf of an obligated party are creditable in future years. Those credits not required to meet the obligated party's existing obligations shall be owned by the obligated party."

We request comments addressing the DDA scope of work and the budget building requirements placed on the DDA, with consideration of 30 V.S.A. §§ 8125(e)(1)(B) and (C), and (e)(2), and the interdependent elements of this planning process:

"(e)(1)(B) the development of a three-year plan and associated proposed budget by the default delivery agent to be informed by the final results of the Department's potential study. The default delivery agent may propose a portion of its budget towards promotion and market uplift, workforce development, and trainings for clean heat measures; and

(C) opportunity for public participation."

"(e)(2) Once the Commission provides the default delivery agent with the obligated parties' plan to meet the requirements, the default delivery agent shall be granted the opportunity to amend its plan and budget before the Commission."

We request comments addressing required program offerings of a DDA, with consideration to 30 V.S.A. §§ 8125(f) and (g), and how these statutory requirements guide a DDA's development and implementation of programs designed to serve these specific customer sectors.

"(f) Compliance funds. All funds received from noncompliance payments pursuant to subdivision 8124(f)(2) of this title shall be used by the default delivery agent to provide clean heat measures to customers with low income."

"(g) Specific programs. The default delivery agent shall create specific programs for multiunit dwellings, condominiums, rental properties, commercial and industrial buildings, and manufactured homes."

The Commission encourages participants to expound on the roles, responsibilities, and obligations of DDA(s) in this potential Clean Heat Standard program. We note that separate requests for comment will be issued in due course regarding DDA evaluation criteria, eligibility, and compensation structure as well as the DDA request for proposals and appointment process pursuant to the schedule issued for case 23-2221-INV.

Instructions for Comments and Upcoming Workshop



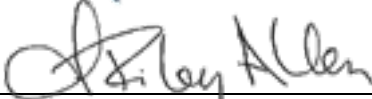
Comments should be filed by December 22, 2023, and tagged with the “[7 DDA Criteria](#)” dropdown option when filing.² The Commission will convene a workshop on January 4, 2024, to discuss these written filings.³ Reply comments on these topics and the January 4 workshop should be filed by January 16, 2024.

SO ORDERED.

² See the recently issued Order titled “Procedural Order Creating Topic Tag System for Clean Heat Standard Cases” for more information on the topic tags dropdown menu.

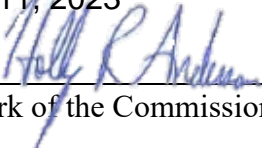
³ Notice of this workshop will be issued by the Clerk of the Commission in due course.

Dated at Montpelier, Vermont, this 11th day of December, 2023.

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

OFFICE OF THE CLERK

Filed: December 11, 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)

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