

From: Roger Claveau <RClaveau@nglsupply.com>

Sent: Tuesday, October 29, 2024 9:00 AM

To: PUC - Clerk <PUC.Clerk@vermont.gov>

Cc: Marc Dorsey <mdorsey@nglsupply.com>

Subject: Re: Case No. 23-2220-RULE – Proceeding to Design the Potential Clean Heat Standard

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Dear Ms. Anderson,

On October 1, 2024, the Vermont Public Utility Commission (“Commission”) issued a draft rule for the Clean Heat Standard (“CHS”). The following comments are in response to the draft regulation.

The Public Utility Commission should do the following to help obligated parties and their downstream customers understand the financial implications of the credit market, make economic decisions about whether to purchase forward contracts, and build capacity for sustainable liquid and gaseous fuels.

- Determine the amount of the Clean Heat Fee that must be paid by the obligated parties on a per-gallon basis.
- Determine on what date the Clean Heat Fee will apply to gallons sold.
- Determine where, when, and how the Clean Heat Fee is paid.
- Ensure the Clean Heat Fee collection method models an existing tax collection structure in order to prevent "fraud and market manipulation."
- Shorten the time frame for collecting the Clean Heat Fee (similar to existing tax collection methods) to ensure that there is a nexus between the gallon sold and the fee attached to that gallon in order to prevent "fraud and market manipulation."
- Provide obligated parties with the amount of the Clean Heat Fee 18 months in advance. This information should be on a per-gallon basis for heating oil, kerosene, and propane.
- Ensure renewable propane is counted as a "sustainably sourced biofuel" under Act 18.
- Provide details about how much credit obligated parties will earn if they replace traditional propane with renewable propane.
- Ensure biodiesel is counted as a "sustainably sourced biofuel" under Act 18.
- Provide details about how much credit obligated parties will earn if they replace traditional heating oil with biodiesel.
- Ensure renewable diesel is counted as a "sustainably sourced biofuel" under Act 18.
- Provide details about the credit that obligated parties will earn if they replace traditional heating oil with renewable diesel.

Please provide clear direction to the above points in the Final Clean Heat Standard Regulation when it is submitted to the Legislature on January 15, 2025.

Sincerely,

Roger Claveau, CPA, CA | Chief Financial Officer

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