

STATE OF VERMONT  
PUBLIC SERVICE BOARD

EEU-2013-02

Request by Champlain Water District for Review of )  
Energy Savings Account Limitation on Qualified )  
Expenses )

Order entered: 9/18/2013

**ORDER EXTENDING TIME FOR CHAMPLAIN WATER DISTRICT TO USE "AVAILABLE FUNDS"**

**I. INTRODUCTION AND PROCEDURAL HISTORY**

As required by 30 V.S.A. § 209(d)(3)(B),<sup>1</sup> the Vermont Public Service Board ("Board") has established an option for certain business customers to self-administer energy efficiency services through the use of an Energy Savings Account ("ESA").<sup>2</sup> The ESA program allows eligible customers to use a portion of the Energy Efficiency Charge ("EEC")<sup>3</sup> such customers pay into the Electric Efficiency Fund to support energy efficiency projects at their facilities.

On May 31, 2013, the Champlain Water District ("Champlain"), a participant in the ESA program, filed a letter with the Board asking for reconsideration of one aspect of the ESA program. Specifically, Champlain asked the Board to review the ESA program's requirement that limits reimbursable project expenses to costs with an estimated payback of at least 18 months on the customer's investment.

In its comments on Champlain's request, the Vermont Department of Public Service ("DPS") recommended that, if the Board were to adopt its proposed schedule for ESA program evaluation, the Board should also extend the time limitation on the use of "Available Funds" (as

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1. Public Act No. 89 (2013 Vt. Bien. Sess.) renumbered this statutory provision. Previously it was numbered § 209(d)(4).

2. The ESA program is described in detail in Attachment A to the Board's January 28, 2011, Order Modifying the Option for Certain Business Customers to Self-Administer Energy Efficiency through the Use of an Energy Savings Account ("ESA Program Description"). The ESA Program Description is available on the Board's website at: <http://psb.vermont.gov/sites/psb/files/orders/2011/Revised%20Attachment%20A%20ESA%20Option.pdf>.

3. The EEC is a volumetric charge that is assessed on electric bills throughout Vermont. The funds collected via the EEC support cost-effective energy efficiency services delivered by Vermont's Energy Efficiency Utilities ("EEUs").

defined in the ESA Program Description) from 24 months to 36 months to provide Champlain with an opportunity to take advantage of any future change to the program.

In our August 14, 2013, Order in this proceeding, we determined that it is in the public interest to wait to consider whether the ESA program's minimum 18-month minimum payback period should be modified until we receive the results of the evaluation of the ESA program (which will be filed by October 31, 2013).<sup>4</sup> However, we did not rule in that Order on the DPS's proposed extension of time for Champlain to use Available Funds. Instead, we directed Vermont Energy Investment Corporation ("VEIC")<sup>5</sup> to file comments on the proposed extension of time, and required that such comments address whether approval of the proposal would affect Efficiency Vermont's ability to achieve its performance goals.

On August 29, 2013, VEIC filed a letter stating that it supports the DPS's recommendation to extend the time in which Champlain may use its Available Funds from 24 months to 36 months, and that such an extension would not affect Efficiency Vermont's ability to achieve its performance goals.

In this Order, for the reasons set forth below, we determine that it is appropriate to allow Champlain 36 months to use any Available Funds allocated into Champlain's ESA on or before May 31, 2013, the date Champlain filed its request that the Board reconsider the 18-month minimum payback period.

## **II. DISCUSSION AND CONCLUSION**

As explained in our August 14, 2013, Order, our decision to wait to consider modifications to the ESA program until we receive the ESA program evaluation results could have financial consequences for Champlain. This is because the ESA Program Description provides that:

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4. In that Order, we noted that if, as currently expected, the DPS's ESA program design recommendations address issues beyond the 18-month minimum payback period, we are likely to open a separate proceeding in which we will consider all of the recommendations.

5. VEIC serves as Vermont's statewide EEU, known as Efficiency Vermont, under an Order of Appointment issued by the Board on 12/20/10 in Docket 7466.

If a customer participating in the ESA option does not use Available Funds within twenty-four months of the date they have been allocated into the customer's ESA, those funds shall be forfeited by the customer . . . .<sup>6</sup>

The ESA Program Description also allows a participating customer "under extraordinary circumstances beyond the control of the participant" to apply for a waiver from the Board to extend the time period before which Available Funds will be forfeited.<sup>7</sup> While in the present instance, the initiator of the request was the DPS rather than an ESA participant, we nevertheless followed the process set forth in the ESA Program Description for considering an extension request by an ESA participant. Specifically, we solicited comments from the affected EEU on the request, including whether approval of the request would impact Efficiency Vermont's ability to achieve its performance goals.<sup>8</sup>

We previously decided to wait to consider Champlain's request that we review the ESA program's minimum 18-month payback period; this decision was beyond Champlain's control. It would be unfair for Champlain to forfeit Available Funds because we determined, for the reasons set forth in our August 14, 2013, Order, that it would be in the public interest to wait for the ESA program evaluation results before ruling on specific proposed changes to the ESA program design.<sup>9</sup> Providing Champlain additional time to use its Available Funds would remove the risk that Champlain would forfeit any Available Funds as a result of our decision to wait to consider modifying the 18-month payback period. In addition, providing the requested additional time would not affect Efficiency Vermont's ability to achieve its performance goals.

Therefore, we determine that it is appropriate to grant the extension of time proposed by the DPS. However, it is necessary to clarify that this is not a permanent waiver of the 24-month requirement. Rather, we determine that Champlain will have 36 months to use any Available Funds allocated into Champlain's ESA on or before May 31, 2013, the date Champlain filed its request that the Board reconsider the 18-month minimum payback period.

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6. ESA Program Description at 4.

7. ESA Program Description at 4.

8. We note that the ESA Program Description also provides that the Board would solicit comments from the DPS on a participant's request; since the DPS was the initiator of the request in this instance, there was no need to solicit further comments from the DPS.

9. Order of 8/14/13 at 7.

**III. ORDER**

IT IS HEREBY ORDERED, ADJUDGED AND DECREED by the Public Service Board of the State of Vermont that the time limitation on the use of "Available Funds" contained in the Energy Savings Account ("ESA") Program Description is extended to 36 months for any Available Funds allocated into Champlain Water District's ESA on or before May 31, 2013.

Dated at Montpelier, Vermont, this 18th day of September, 2013.

<u>s/ James Volz</u>	)	
	)	PUBLIC SERVICE
	)	
<u>s/ David C. Coen</u>	)	BOARD
	)	
	)	OF VERMONT
<u>s/ John D. Burke</u>	)	

OFFICE OF THE CLERK

FILED: September 18, 2013

ATTEST: s/ Susan M. Hudson  
Clerk of the Board

*NOTICE TO READERS: This decision is subject to revision of technical errors. Readers are requested to notify the Clerk of the Board (by e-mail, telephone, or in writing) of any apparent errors, in order that any necessary corrections may be made. (E-mail address: psb.clerk@state.vt.us)*

*Appeal of this decision to the Supreme Court of Vermont must be filed with the Clerk of the Board within thirty days. Appeal will not stay the effect of this Order, absent further order by this Board or appropriate action by the Supreme Court of Vermont. Motions for reconsideration or stay, if any, must be filed with the Clerk of the Board within ten days of the date of this decision and Order.*