



Legislative and Regulatory Affairs Committee Meeting

11:45 AM, November 13, 2019
5195 Waterbury-Stowe Road, Waterbury Center, Vermont

CALL IN NUMBER: 1-773-231-9226
MEETING ID: 802 244 7678#

Directors

Reg Beliveau, Swanton	Jonathan Elwell, Enosburg	Meredith Birkett, Johnson
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Agenda

Allotted number of minutes set forth in bold type after each item

1. Call to Order
2. Consideration of changes/modifications to agenda (**3**)
3. Public comment (**3**)
4. Consideration of the Committee Meeting Minutes - July 9, 2019 (**4**)
5. Regulatory Update: PUC Proceedings (**30**)
 - a. Case # 19-2956 All Fuels Utility
 - b. Case # 19- 0855 Net Metering Rule
 - c. Case # 19-3009 Electric Vehicle Fees
 - d. Case # 17-4999 Disconnection Rule 3.300
 - e. Rate Design Initiative
6. Legislative Update (**30**)
 - a. Upcoming 2020 session
7. Renewable Energy Standard (**45**)
 - a. Tier 3 Planning for 2020
 - b. EVT Targeted Communities
8. Other Business (**5**)

CC:

Vacant, Barton	Tin Barton Caplin, Barton	Gary Denton, Enosburg
Mike Sullivan, Hardwick	Carol Robertson, Hyde Park	Frederika French, Hyde Park
Mac Butova, Jacksonville	Pam Moore, Jacksonville	Phil Wilson, Johnson
Thomas Petraska, Ludlow	Debra Keller, Ludlow	Bill Humphrey, Lyndonville
Clay Bailey, Lyndonville	Craig Myotte, Morrisville	Penny Jones, Morrisville
Stephen Fitzhugh, Northfield	Jeff Schulz, Northfield	John Morley III, Orleans
Marilyn Prue, Orleans	Lynn Paradis, Swanton	

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Legislative and Regulatory Meeting Minutes

September 11, 2019

Committee Directors:

X	Reginald Beliveau, Swanton	P	Meredith Birkett
X	Jonathan Elwell, Enosburg		

Other Directors present:

X	John Morley III, Orleans		
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X indicates attendance in person, P indicates attendance by phone.

Alternates present:

Others present:

Ken Nolan, VPPSA	Melissa Bailey, VPPSA	Julia Leopold, VPPSA
James Gibbons, BED		

Numbers in bold type correspond with agenda item numbers:

- 1.** The meeting was called to order at 11:58 am at the office of the Authority, located at 5195 Waterbury-Stowe Road, Waterbury Ctr., Vermont.
- 2.** Melissa Bailey asked if there were requests for changes and/or modifications to the current agenda. There were not.
- 3.** There was no public presence and therefore no comments were made.
- 4.** Director Beliveau moved to approve the minutes from the July committee meeting and Director Elwell seconded the motion. The minutes were approved without objection.
- 5.** Ms. Bailey provided a Regulatory Update covering the current relevant PUC Proceedings. In the context of the PUC’s “All Fuels Utility” proceeding, the committee discussed how we could ensure that more value from Efficiency Vermont services comes back to customers in VPPSA members’ territories.

Ms. Bailey notified the committee that the PUC has opened a proceeding to explore the costs and benefits of net metering, including the effect of compensation on retail rates. Director Birkett inquired whether the VPPSA members should plan to respond to the PUC individually. Ms. Bailey indicated that VPPSA intended to respond on behalf of the VPPSA members.



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Ms. Bailey and Mr. Gibbons provided an update on the recent workshop held by the PUC related to implementing a per kWh fee on electric vehicle charging. Director Elwell inquired about communicating directly with the Administration regarding the rationale behind the state agencies' insistence that Transportation Fund revenue be generated through a per kWh charge rather than alternative means. Mr. Nolan clarified that this will be a major topic for discussion in the upcoming legislative session and the outcome will not be determined in this PUC proceeding.

Ms. Bailey notified the committee that VPPSA had led an effort among utilities to propose modifications to the state's residential Disconnect Rule (3.300) intended to lower the utility costs of administering disconnects. The next step in this proceeding will be for other parties to file comments on the utilities' proposal.

Ms. Bailey informed the committee that there had been a second round of solicitation for participants in the Energy Savings Account Pilot for commercial and industrial customers administered by Efficiency Vermont. Ethan Allen has applied to be included in this pilot program. Director Beliveau noted that there are customers in Swanton's service territory that could benefit from a program like this.

6. There was a short Legislative Update covering the legislatively mandated study of the feasibility of electric utilities providing broadband service to be completed by the Department of Public Service. The DPS has chosen Magellan as a consultant to assist with this effort and notified utilities that they should anticipate receiving a survey from Magellan in the coming weeks.
7. Julia Leopold provided an update on VPPSA's 2019 Tier 3 programs under the Renewable Energy Standard and the savings that have been generated to date from 2017 until now. Ms. Leopold also presented a proposed list of rebates to be offered by VPPSA in 2020. Mr. Nolan clarified that VPPSA's Tier 3 strategy includes both running rebate programs and purchasing low-cost Tier 2 RECs to meet VPPSA's overall obligation. The committee was supportive of the overall Tier 3 strategy described by staff. The Tier 3 Budget will be incorporated into VPPSA's overall 2020 operating budget, a draft of which will be provided to the VPPSA Board at the October board meeting.
8. There was no Other Business.

The meeting was adjourned at 1:55 p.m.

Respectfully submitted,

Melissa Bailey

Melissa Bailey, Acting Secretary
Legislative & Regulatory Committee

Memorandum

To: VPPSA Legislative and Regulatory Affairs Committee
From: Melissa Bailey
Date: November 11, 2019
Subject: **Agenda Item #5** - Relevant PUC Proceedings

VPPSA is closely monitoring and actively participating in multiple proceedings underway at the Public Utility Commission.

- a) **Case # 19-2956 All Fuels Utility** - The PUC will be delivering its initial recommendations to the legislature pursuant to its Act 62 proceeding around establishing an "all fuels utility." There have been two workshops and two rounds of written comments, to date. Final comments will be submitted on November 15. The PUC owes the legislature preliminary recommendations in January 2020 and a final report in January 2021. VPPSA continues to advocate for the legislature to reserve the EEC for electric efficiency measures and identify an alternative funding source for thermal efficiency services.
- b) **Case # 19-0855 Net Metering Rule** - VPPSA and BED jointly responded to the PUC's information request related to costs and benefits of net metering. Analysis from power supply staff showed that the economic benefits of solar range from 8 - 9 center/kWh while the costs of the net metering program range from 8 - 17 cents. Reply comments will be due on Nov. 15.
- c) **Case # 19-3009 Electric Vehicle Fees** - Final comments were submitted on October 30 in the PUC's investigation into implementing a per kWh fee on electric vehicle charging. The majority of participants filed comments suggesting that Vermont **not** implement such a fee. However, the state agencies (DPS, ANR, and VTRANS) continue to support the per kWh fee. The most recent discussion in this proceeding centered around whether Vermont's utilities should be required to offer EV-specific rates. The state agencies' position is the EV load constitutes a separate and distinct load and should be billed differently than other residential load.
- d) **Case # 17-4999 Vermont's Residential Disconnect Rule** -VPPSA recently led a utility effort in which participants agreed on edits to the Disconnect Rule to be presented to the PUC, DPS, and other stakeholders. The DPS reviewed the utilities proposed edits to Rule 3.300 and suggested that this proceeding be expanded to include to include standards and billing practices; credit, collections, and deposits; and both residential and nonresidential accounts.
- e) **Rate Design Initiative** - The Public Service Department has hired a consultant to engage stakeholders around electric rate design. The first meeting will be held November 19th.

Memorandum

To: VPPSA Legislative and Regulatory Affairs Committee
From: Melissa Bailey
Date: November 11, 2019
Subject: **Agenda Item #6** - Legislative Update

VPPSA staff met earlier this month with lobbyists to discuss the upcoming legislative session. We expect a lot of activity around energy and utility issues. There will likely be legislative activity around distribution utility involvement in broadband deployment, expansion of the purview of the energy efficiency utility, the promotion of electric vehicles and electric vehicle charging infrastructure and increasing the renewable energy standard requirements for utilities.

In addition, the legislature is expected to discuss the proposed regional Transportation Climate Initiative, which would cap carbon emissions from the transportation sector. TCI would effectively implement a framework similar to the Regional Greenhouse Gas Initiative (RGGI) that caps emissions from the electric sector. Under TCI, gasoline distributors would be required to purchase emission permits, and the revenue from the sale of those permits would be reinvested in the transportation sector.

There will likely be continued conversation around the Vermont Global Warming Solutions Act, which is a bill that would turn the state's climate pollution goals into requirements. In effect, this would require a 28% reduction in climate pollution by 2025, and ultimately require Vermont to be net-zero by 2050.

VPPSA staff have also had conversations with Senator Bray, who chairs the Senate Natural Resources and Energy Committee, Lt. Governor Zuckerman, and Senate leader Tim Ashe regarding these and other legislative priorities for the 2020 session. An oral summary of those conversations will be provided for the Committee on November 13.

The next steps will be to meet with state agencies and other utilities around potential joint positions to advance in 2020.

Memorandum

To: VPPSA Legislative and Regulatory Affairs Committee
From: Julia Leopold
Date: November 13, 2019
Subject: **Agenda Item #7** - Renewable Energy Standard

- a) **Tier 3 Planning for 2020** - VPPSA has submitted its 2020 Tier 3 Plan to the Public Utilities Commission. The plan includes continuing the electric vehicle, cold climate heat pump, and heat pump water heater programs with revisions to incentive levels. Staff are proposing VPPSA add rebates for the following Tier 3 measures:
- a. Used electric vehicles and plug-in hybrids
 - b. Level 2 chargers for electric vehicles
 - c. Electric golf carts
 - d. Electric lawnmowers (commercial and residential)
 - e. Electric bikes

Electric forklifts were included in the 2019 budget, but no opportunities have been identified to date. We will continue to pursue opportunities to do forklift conversions, as this is a very attractive Tier 3 measures. Commercial and Industrial opportunities, including the installation of Electric Vehicle Supply Equipment, will continue to be evaluated on a custom basis.

- b) **EVT Targeted Communities**- Johnson and Irasburg/Barton/Orleans were selected to participate in Efficiency Vermont's 2020 Targeted Communities program. Targeted Communities brings enhanced incentives to municipals, small businesses, nonprofits and residents in the area. It's designed to alleviate the pressures felt by those with the highest energy burden. VPPSA is investigating options for bundling increased cold climate heat pump incentives with weatherization in Targeted Communities.