



## Legislative and Regulatory Affairs Committee Meeting

11:45 AM, March 12, 2020  
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
-----------------------	---------------------------	---------------------------

### 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 - September 11, 2019 (**4**)
5. Consideration of the Committee Meeting Minutes - November 13, 2019 (**4**)
6. Legislative Update (**60**)
  - a. Update on the 2020 session
  - b. VPPSA Legislative Reception Recap
7. Renewable Energy Standard (**20**)
  - a. Tier 3 Results from 2019
  - b. VPPSA Demand Response Efforts
8. Regulatory Update: PUC Proceedings (**20**)
  - a. Case # 19-3272 EVT Demand Resources Plan Proceeding
  - b. Case # 19-2956 All Fuels Utility
  - c. Case # 20-0097 Net Metering Biennial Update
  - d. Case # 17-4999 Disconnection Rule 3.300
9. Other Business (**5**)

### CC:

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

**DRAFT**



## Legislative and Regulatory Meeting Minutes

September 11, 2019

**Committee Directors:**

<b>X</b>	Reginald Beliveau, Swanton	<b>P</b>	Meredith Birkett
<b>X</b>	Jonathan Elwell, Enosburg		

**Other Directors present:**

<b>X</b>	John Morley III, Orleans		
----------	--------------------------	--	--

*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.



**DRAFT**

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

**DRAFT**



## Legislative and Regulatory Meeting Minutes

November 13, 2019

**Committee Directors:**

<b>X</b>	Reginald Beliveau, Swanton		
----------	----------------------------	--	--

**Other Directors present:**

<b>X</b>	John Morley III, Orleans	<b>x</b>	Bill Humphrey, Lyndonville
----------	--------------------------	----------	----------------------------

*X indicates attendance in person, P indicates attendance by phone.*

**Alternates present:**

--	--

**Others present:**

Ken Nolan, VPPSA	Melissa Bailey, VPPSA	Julia Leopold, VPPSA
------------------	-----------------------	----------------------

**Numbers in bold type correspond with agenda item numbers:**

- 1.** The meeting was called to order at 12:25 pm 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.** Consideration of the minutes from the September 11 meeting was tabled due to their not being a quorum of committee members in attendance.
- 5.** Ms. Bailey provided a Regulatory Update covering the current relevant PUC Proceedings. There have been several workshops related to the potential creation of an All Fuels Utility, or expansion of current energy efficiency services in the state. The committee indicated support for VPPSA’s proposal that a requirement for EVT to spend in utility service territory proportionately to EEC contributions. VPPSA will seek to advance this proposal in regulatory and legislative forums.

Ms. Bailey informed the committee that comments had been filed in the PUC proceeding to explore the costs and benefits of net metering. Utilities and the Department of Public Service provided consistent analysis on the “value” of net metering generation and pointed out that current compensation levels for net metering significantly exceed the value being delivered. A potential outcome of this proceeding would be to alter the net metering compensation structure. Directors Morley and Humphrey pointed out that this could be a more equitable result, but



**DRAFT**

changing net metering billing once again would be accompanied by additional costs to the utilities.

Final comments have been filed in the proceeding around charging a per kWh fee on electric vehicle charging. The PUC will submit a report on this topic to the Legislature in January. A separate proceeding on rate design is being undertaken by the Department of Public Service. Three VPPSA staff plan to attend the first workshop on Nov. 20.

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 Department responded to the utilities draft by suggesting this proceeding be broadened to encompass billing standards and procedures and commercial disconnects. The PUC has expanded the scope of the proceeding and the Department will file a straw proposal for a comprehensive rule in January.

Director Morley inquired about the status of the Department of Public Service's broadband feasibility study. The VPPSA members had provided responses to the Department's survey earlier this month. The Department plans to complete its study by mid-December. Mr. Nolan informed the committee that VPPSA had been looking into potential federal funding to promote broadband deployment, and at this point that funding appears to be geared towards existing broadband providers.

6. There was a discussion about the upcoming Legislative session. Staff have held meetings with lobbyists and legislative leaders in advance of the session. There will likely be proposals related to expanding Vermont's Renewable Energy Standard, the creation of an "all fuels" efficiency utility, broadband deployment, electric vehicle (EV) charging and funding for the state's transportation fund, and the proposed regional Transportation Climate Initiative under consideration this session. VPPSA conveyed its concerns around expanding the scope of Efficiency Vermont, tension between state renewable energy goals and the hydro relicensing process, and EV taxation to Senators Ashe, Pearson, and Bray and Lt. Governor Zuckerman.
7. Julia Leopold provided an update on VPPSA's proposed 2020 Tier 3 programs under the Renewable Energy Standard. VPPSA intends to expand its prescriptive rebate offerings in 2020 and continue to do so in a manner that is revenue neutral to the utilities. VPPSA's Tier 3 Budget will be included in the overall 2020 operating budget to be considered at the December Board Meeting.
8. There was no Other Business.

The meeting was adjourned at 2:05 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: March 12, 2020  
Subject: **Agenda Item #6**- Legislative Update

VPPSA is actively monitoring multiple bills pending in the Vermont Legislature that will impact electric utilities. Staff have worked to shape bill language to benefit the VPPSA member utilities. There is a strong focus on climate initiatives this session. The major energy-related bills are described below. Additional detail will be provided verbally at the Legislative and Regulatory Affairs Committee meeting on March 12<sup>th</sup>.

The Senate Natural Resources and Energy Committee spent a great deal of time early in the session focused on the Energy Efficiency Modernization Act. This bill, which is now being considered by the Senate Finance Committee, would allow Efficiency Vermont to spend up to \$6 million in electric efficiency charge (EEC) funds on programs and services designed to reduce greenhouse gas emissions. The bill requires that in order to spend these funds, EVT would need to *not* increase its budget in the coming three years. In addition, programs and services must have a “nexus” to electricity and be subject to PUC approval. VPPSA was successful in adding language to this bill that requires EVT to spend equitably in each utility if it proposes utility-specific programs.

The Senate Finance Committee has been focused on the proposal to increase Vermont’s Renewable Energy Standard (RES) to 100% and double the Tier 2 requirement from 10% to 20% by 2030. The Committee passed that bill in spite of significant concerns raised by distribution utilities, VELCO, and the Department of Public Service about the costs that would be incurred in order to integrate that magnitude of distributed solar onto Vermont’s transmission and distribution grid. VPPSA has able to include language that would make existing municipally-owned hydro facilities qualify as Tier 2 resources if they receive a new water quality certificate from the State. That bill is now under consideration by the Senate Natural Resources Committee. There is an alternative proposal from the DPS that would require a study to be completed before 2021 on the expected costs of doubling Tier 2 before that requirement came into effect.

The Transportation Bill currently includes language requiring a pilot to implement a per kWh fee on electric vehicle charging as well as a requirement for utilities to implement EV-specific rates by 2024. VPPSA and other DUs are working to include evaluation of other options for collecting “lost” gas tax revenue and provide flexibility for DUs in designing electric rates.

VPPSA hosted its first legislative reception for legislators and Board members on February 19<sup>th</sup>. Staff welcome Committee feedback on that event.

## Memorandum

To: VPPSA Legislative and Regulatory Affairs Committee  
From: Julia Leopold  
Date: March 12, 2020  
Subject: **Agenda Item #7**- Renewable Energy Standard

- a) **Tier 3 Results from 2019** - VPPSA is in the process of submitting its first 2019 Tier 3 compliance filing. In 2019, rebates were issued to VPPSA member customers who purchased electric vehicles, plug-in hybrids, cold climate heat pumps, and heat pump water heaters. The 2019 Tier 3 update will cover the number of rebates delivered in each utility territory, the portion of Tier 3 compliance achieved through rebate programs, and an overview of 2020 programming.

Tier 3 requires developing best practices to avoid high demand during peak hours. VPPSA is researching demand-response programs that would benefit member utilities and their customers. This may involve the potential for direct outreach to customers, including commercial and industrial key accounts.

## Memorandum

To: VPPSA Legislative and Regulatory Affairs Committee  
From: Melissa Bailey  
Date: March 12, 2020  
Subject: **Agenda Item #8**- Relevant PUC Proceedings

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

- a) **Case # 19-3272 EVT Demand Resources Plan Proceeding** - Testimony was filed on February 28<sup>th</sup> in the Demand Resources Plan Proceeding to set Efficiency Vermont's budget for the upcoming 3-year performance period. VPPSA's testimony focused on the need for utility equity in EEC spending and the need for greater coordination between DUs and EVT in program planning and implementation. VPPSA noted that equity will become increasingly important if EVT is allowed to expand its focus to measures such as load management that have the potential to increase costs for other utilities.
- b) **Case # 19-2956 All Fuels Utility** - The PUC delivered its initial recommendations to the legislature pursuant to its Act 62 proceeding around establishing an "all fuels utility." The Commission's recommendations to the Legislature were consistent with VPPSA's position that the EEC be devoted to *electric* efficiency measures and an alternative funding source be identified for thermal efficiency services. The PUC is kicking off the second phase of the Act 62 Proceeding in order to deliver its final recommendations to the Legislature in January 2020.
- c) **Case # 20-0097 Net Metering Biennial Update** - The PUC is required to re-visit the net metering compensation levels every two years and make adjustments as appropriate. Utilities have submitted the required data and the Department of Public Service is recommending a \$.01/ kWh reduction in the REC adjustor over each of the next two years. The PUC will issue an order regarding net metering rates by May 1<sup>st</sup>.
- d) **Case # 17-4999 Vermont's Residential Disconnect Rule** -The PUC has expanded this case to include standards and billing practices; credit, collections, and deposits; and both residential and nonresidential accounts. The Department of Public Service will provide a draft comprehensive rule by March 16 that would replace Rules 3.200 (Ratepayer Deposits for Gas, Electric, and Water Service), 3.300 (Disconnection of Residential Electric, Gas, and Water Service), and 3.400 (Disconnection of Cable Television Service and Non-Residential Electric, Gas, and Water Service).