



Legislative and Regulatory Affairs Committee Meeting

11:45 AM, May 14, 2020
REMOTE VIA PHONE/WEBEX

CALL IN NUMBER: 1-773-231-9226
MEETING ID: 802 244 7678#
<https://meetings.ringcentral.com/j/8022447678>

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 - September 11, 2019, November 13, 2019, March 12, 2020 (**5**)
5. COVID update (**15**)
6. Legislative Update (**15**)
 - a. 2020 Priorities - Broadband
7. Regulatory Update: PUC Proceedings (**50**)
 - 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
 - e. Case # 20-0203 Low Income Rate Investigation
8. Renewable Energy Standard update (**10**)
 - a. State EV program
 - b. Tier 3 Low - income services
9. Other Business (**5**)

CC:

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

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Legislative and Regulatory Meeting Minutes

November 13, 2019

Committee Directors:

X	Reginald Beliveau, Swanton		
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Other Directors present:

X	John Morley III, Orleans	x	Bill Humphrey, Lyndonville
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X indicates attendance in person, P indicates attendance by phone.

Alternates present:

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Others present:

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



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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

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Legislative and Regulatory Meeting Minutes

March 12, 2020

Committee Directors:

P Reginald Beliveau, Swanton	X Meredith Birkett, Johnson
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Other Directors present:

X John Morley III, Orleans	P Craig Myotte, Morrisville	X Bill Humphrey, Lyndonville
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X indicates attendance in person, P indicates attendance by phone.

Alternates present:

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Others present:

Ken Nolan, VPPSA	Melissa Bailey, VPPSA	Julia Leopold, VPPSA
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Numbers in bold type correspond with agenda item numbers:

- 1.** The meeting was called to order at 11:45 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 and November 13 meetings was tabled due to there not being a quorum of committee members in attendance in person.
- 5.** Melissa Bailey provided an update covering topics under consideration currently by the Vermont Legislature. A summary of the relevant bills had been sent to the committee in advance. Ms. Bailey explained that the Energy Efficiency Modernization Act will enable EVT to expend up to \$6 million over the next three years on programs in the thermal and transportation sector for measures that have a nexus to electricity, such as electric vehicle promotion. Director Humphrey expressed skepticism that electric vehicles will reach high saturation levels in the Northeast Kingdom on the coming years.

The committee was concerned about the potential costs related to doubling the Tier 2 requirement if S. 267 passes out of the legislature. Ms. Bailey and Mr. Nolan shared those concerns and explained that they could be partially offset by provisions in the current bill that would assign more value to the VPPSA members' existing hydro units.



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The committee also discussed the legislative reception that VPPSA held on February 18th. Staff and committee members all viewed the event as a successful first attempt at engaging with legislators. Director Birkett asked whether there were alternative venues that would have allowed for more substantive engagement. The group discussed the pros and cons of holding the reception at an off-site venue, such as Capitol Plaza. Mr. Nolan explained that VPPSA was interested in exploring multiple events to broaden communication with legislators from VPPSA members' districts. This could include legislative breakfasts earlier in or prior to the legislative session. Director Morley noted the benefits of meeting with legislators in their districts rather than Montpelier.

6. Julia Leopold provided an overview of VPPSA's results implementing Tier 3 programs to date under the Renewable Energy Standard. VPPSA's first year of Tier 3 compliance is 2019 and VPPSA has banked all Tier 3 credits achieved through programs that were offered in 2017 and 2018. Ms. Leopold shared with the committee the savings that have been achieved from VPPSA's electric vehicle, heat pump, and heat pump water heater rebate programs. It is expected that roughly a thirty percent of VPPSA's Tier 3 compliance will be met through savings from prescriptive rebate offerings, and the remainder will come from custom projects and Tier 2 RECs. Ms. Leopold also explained the expanded Tier 3 offerings that are available in 2020 and posted on VPPSA's website.

The committee discussed heat pump water technology and the potential to increase load through water heaters powered with electricity. Ms. Leopold shared that 75% of HPWH being installed replace existing resistance water heaters and Mr. Morley noted that those would result in load reductions.

Ms. Leopold also discussed the role Tier 3 can play in VPPSA's strategic planning goal to increase retail sales by 1% each year for each member utility. Residential rebate programs are seen as a contributing method towards that goal but progress in the commercial and industrial customers will be necessary to meet that goal.

7. Ms. Bailey and Mr. Nolan provided a brief update on the Efficiency Vermont Demand Resources Plan Proceeding. Efficiency Vermont submitted its proposal to the Public Utility Commission regarding its budget and savings goals for the upcoming performance period which will run from 2021-2023. EVT is proposing a budget of approximately \$50 million per year in each year of the performance period, which is consistent with EVT's current budget level. VPPSA was the only utility that provided written testimony on EVT's DRP proposal and that testimony focused on the need for equity in service delivery to all of Vermont's utilities. To achieve this equity, VPPSA has proposed that no less than 47% of the energy efficiency charge contributions from each utility be returned to that utilities' customers in the form of rebates. In addition, VPPSA raised concerns about EVT's role in demand management and load control activities and the need to have substantive collaboration in designing and delivering programs in the VPPSA members territories.

8. There was no Other Business.

The meeting was adjourned at 1:50 p.m.

Respectfully submitted,

Melissa Bailey

Melissa Bailey, Acting Secretary
Legislative & Regulatory Committee



Memorandum

To: VPPSA Legislative and Regulatory Affairs Committee
From: Julia Leopold
Date: May 14, 2020
Subject: **Agenda Item #5** - COVID

As businesses around the state have temporarily shut down in compliance with the governor's stay at home order, VPPSA has been closely monitoring member utility loads. Statewide load decline has been at roughly 10%, but VPPSA members who serve large industrial customers are experiencing drastic load reductions. VPPSA is reporting the numbers to members on a weekly basis. The Department of Public Service is requesting sales information from utilities to provide state economists with a view on potential rate impacts.

On March 18, the Public Utility Commission ordered a moratorium on involuntary disconnections. This order has recently been extended through May 31. VPPSA submitted comments in support of the moratorium, despite the financial implications to utilities. As the potential for a national disconnect moratorium increases, VPPSA has been working with APPA to advocate on behalf of our member utilities.

VPPSA has been conducting weekly calls with member utilities to discuss items related to COVID-19. This includes providing regulatory briefings, legislative updates at both the state and federal level, and an opportunity to share best practices among the utilities.

Memorandum

To: VPPSA Legislative and Regulatory Affairs Committee
From: Melissa Bailey
Date: May 14, 2020
Subject: **Agenda Item #6** - Legislative Update

VPPSA continues to monitor activities of the Vermont Legislature that may impact electric utilities. While the session began with a strong focus on climate initiatives, these have been tabled as the Legislature grapples with the impacts of the COVID-19 pandemic and accompanying stay home order. The priority for the remainder of the session will be addressing the state's budget shortfall. It is unclear at this point how long the Legislature will remain in session.

Several committees have amplified their focus on universal broadband access, given the need for Vermonters to work and attend school remotely for the time being. Utilities and the Department of Public Service have provided testimony around the costs and obstacles to universal broadband and the potential utility role in facilitating rollout. The Chair of the House Energy and Technology Committee has convened a group of utility stakeholders to address these. In addition, the Department has issued an Emergency Broadband Plan designed to leverage federal funds to achieve comprehensive broadband availability in Vermont.

VPPSA has had several conversations with the DPS related to the Departments' proposed legislation that would allow municipal and cooperative utilities to offer "innovative pilot rates" for a period up to 18 months. VPPSA has expressed concerns to the DPS and provided alternative legislative language and the DPS has committed to continuing to work to find mutually agreeable language. It is not likely that this bill will be a priority for the Legislature this session.

The following energy related bills from earlier this session are currently on hold:

- The Energy Efficiency Modernization Act (S.337)
- Proposal to increase Vermont's Renewable Energy Standard (RES) to 100% and double the Tier 2 requirement from 10% to 20% by 2030 (S. 267)
- Transportation Bill language requiring a pilot to implement a per kWh fee on electric vehicle charging and a requirement for utilities to implement EV rates by 2024.

Memorandum

To: VPPSA Legislative and Regulatory Affairs Committee
From: Melissa Bailey
Date: May 14, 2020
Subject: **Agenda Item #7** - 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** - VPPSA and Efficiency Vermont have reached a Memorandum of Understanding in the Demand Resources Plan Proceeding to set EVT's budget for the upcoming 3-year performance period. The MOU focuses on the need for utility equity in EEC spending and the need for greater coordination between VPPSA and EVT in program planning and implementation.
- b) **Case # 19-2956 All Fuels Utility** - The PUC is considering whether to put the second phase of the Act 62 Proceeding on pause given current circumstances. The PUC is required deliver its final recommendations, which will address funding, to the Legislature in January 2020.
- c) **Case # 20-0097 Net Metering Biennial Update** - The PUC has put on pause its proceeding to update net metering compensation levels, which ordinarily occurs every two years. The PUC plans to pick up this proceeding in August.
- 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).
- e) **Case # 20-0203 Investigation into the establishment of reduced rates for low-income residential ratepayers of Vermont electric utilities** - The PUC has opened a proceeding on this topic and issued a set of inquiries for Vermont utilities to respond to by June 1st. Topics for discussion include whether there should be a statewide program or utility specific programs, and what the appropriate funding source is. **This topic will be discussed in detail at the Committee's May 14th meeting. Staff will be seeking Committee input for a joint VPPSA response to the PUC.**

Memorandum

To: VPPSA Legislative and Regulatory Affairs Committee
From: Julia Leopold
Date: May 14, 2020
Subject: **Agenda Item #8** - Renewable Energy Standard

- a) **State EV Program-** VPPSA has been processing the VTrans EV incentive on behalf of member utilities. When car dealers provide customers with an income-based incentive, they forward the incentive application and invoice to VPPSA. VPPSA then invoices VTrans for the cost of the incentive. VTrans then pays VPPSA, who reimburses the dealer. We have received 3 customer applications since the incentive launch in December 2019.
- b) **Tier 3 Low-Income Services-** The Government and Member Relations department has been engaging with Efficiency Vermont and other Vermont DUs to provide point-of-sale Tier 3 incentives to utility customers. This spawned a conversation about how to proportionately serve the low-income population, a requirement of Tier 3 obligations. In April 2020, the DUs and Efficiency Vermont gathered again to discuss partnership on potential programs. The conversation is ongoing.