



Legislative and Regulatory Meeting Minutes

March 12, 2020

Committee Directors:

P Reginald Beliveau, Swanton	X Meredith Birkett, Johnson
---------------------------------------	--------------------------------------

Other Directors present:

X John Morley III, Orleans	P Craig Myotte, Morrisville	X 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 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.

APPROVED

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