

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20

H.56

Introduced by Representatives Cordes of Lincoln, Elder of Starksboro,  
Andriano of Orwell, Bos-Lun of Westminster, Burrows of West  
Windsor, Buss of Woodstock, Casey of Montpelier, Cina of  
Burlington, Cole of Hartford, Goldman of Rockingham, Hyman  
of South Burlington, Logan of Burlington, McCann of  
Montpelier, McGill of Bridport, Mulvaney-Stanak of  
Burlington, Nicoll of Ludlow, Pouech of Hinesburg, Small of  
Winooski, and Stebbins of Burlington

Referred to Committee on

Date:

Subject: Public service; energy; thermal energy

Statement of purpose of bill as introduced: This bill proposes to give the  
Public Utility Commission (PUC) jurisdiction over the construction and  
operation of utility model thermal energy networks. It would require the  
Commission to adopt rules on the permitting process for such operations. It  
prohibits the PUC from approving permits to expand natural gas service  
territory. It also directs the Commission to change the energy assistance  
program options for customers with low incomes and would require the  
Commission to adopt rules that include a tiered discount system.

1 An act relating to affordable community energy solutions

2 It is hereby enacted by the General Assembly of the State of Vermont:

3 Sec. 1. SHORT TITLE

4 This act shall be known and may be cited as the “Ratepayer Protection and  
5 Thermal Energy Network Act.”

6 Sec. 2. 30 V.S.A. § 201 is amended to read:

7 § 201. DEFINITIONS

8 As used in this chapter:

9 \* \* \*

10 (7) “Thermal energy exchange” means the transfer of noncombustible  
11 heat produced from a noncombustion source piped into and out of buildings for  
12 the purpose of eliminating any resultant on-site greenhouse gas emissions of all  
13 types of heating and cooling processes, including comfort heating and cooling,  
14 domestic hot water, refrigeration, and noncombustible flow that has been  
15 heated or cooled geothermally.

16 (8) “Thermal energy network” means all real estate, fixtures, and  
17 personal property operated, owned, used, or to be used for or in connection  
18 with or to facilitate a utility model distribution infrastructure project that  
19 supplies thermal energy exchanges.

20 Sec. 3. 30 V.S.A. § 203 is amended to read:

21 § 203. JURISDICTION OF CERTAIN PUBLIC UTILITIES



1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19

\* \* \*

(8) No person or company, as defined in section 201 of this title, may operate as a thermal energy network provider and construct a thermal energy network for the provision of thermal energy service unless the Public Utility Commission first finds that the same will promote the general good of the State and issues a certificate to that effect.

(A) The certificate shall establish rates subject to regulation by the Commission.

(B) The certificate granted shall include the authority to lay conductors, pipes, conduits, ducts, and other fixtures on privately owned or publicly owned land and in streets, highways, and public places to the same extent and subject to the same limitations as that of an electric utility under this chapter.

(C) Any right previously obtained by eminent domain, or by deed, to lay, construct, operate, or maintain buried lines or pipes for transmission of electricity or natural gas may also be used for transmission of thermal energy fluids and may be used without additional approval, amended deed, or additional compensation if the change does not significantly increase the burden or significantly alter the environmental impact of the use.

1 (b) Before the Public Utility Commission issues a certificate of public good  
2 as required under subsection (a) of this section, it shall find that the purchase,  
3 investment, or construction:

4 (1) With respect to an in-state facility, will not unduly interfere with the  
5 orderly development of the region with due consideration having been given to  
6 the recommendations of the municipal and regional planning commissions, the  
7 recommendations of the municipal legislative bodies, and the land  
8 conservation measures contained in the plan of any affected municipality.

9 However:

10 (A) With respect to a natural gas transmission line subject to  
11 Commission review, the line shall be in conformance with any applicable  
12 provisions concerning such lines contained in the duly adopted regional plan;  
13 and, in addition, upon application of any party, the Commission shall condition  
14 any certificate of public good for a natural gas transmission line issued under  
15 this section so as to prohibit service connections that would not be in  
16 conformance with the adopted municipal plan in any municipality in which the  
17 line is located. Notwithstanding any other provision of law to the contrary, the  
18 Commission shall not approve the purchase, investment, or construction that  
19 extends a natural gas transmission line into a new service territory.

20 \* \* \*

1 Sec. 5. 30 V.S.A. § 209c is amended to read:

2 § 209c. ELECTRICITY AFFORDABILITY PROGRAM

3 (a) ~~The Public Utility Commission shall design a proposed electricity~~  
4 ~~affordability program in the form of draft legislation. The program shall be~~  
5 ~~developed with the aid of an electricity affordability program collaborative.~~  
6 ~~The collaborative, composed of representatives from the electric utilities,~~  
7 ~~residential customers, consumer representatives, low income program~~  
8 ~~representatives, representatives from programs for elders, the Department of~~  
9 ~~Public Service, the Agency of Human Services, and other stakeholders~~  
10 ~~identified by the Commission, shall aid in the development of an electricity~~  
11 ~~affordability program, as well as requirements for the implementation and~~  
12 ~~funding of the program. The proposed electricity affordability program will be~~  
13 ~~presented to the Vermont General Assembly in the form of draft legislation for~~  
14 ~~consideration in January 2007.~~

15 (b) ~~The proposed electricity affordability program shall provide assistance~~  
16 ~~in the payment of electricity bills for eligible low income residential customers~~  
17 ~~served by electric companies subject to the jurisdiction of the Commission.~~

18 (c) ~~In developing the electricity affordability program, the Commission~~  
19 ~~shall review the successes and administrative burdens of similar programs in~~  
20 ~~operation in other states and consider the following goals, which shall be~~  
21 ~~afforded equal weight in formulating the program:~~

1           ~~(1) the need to provide payment assistance to low income customers at~~  
2           ~~and below 150 percent of the federal poverty level;~~

3           ~~(2) the need for automatic screening and enrollment methods of eligible~~  
4           ~~customers by means of information obtained from existing means tested~~  
5           ~~financial assistance programs administered by other Vermont agencies such as~~  
6           ~~food stamps, Medicaid, LIHEAP, or TANF; and~~

7           ~~(3) the need to design a program that is funded by all customer classes in~~  
8           ~~an equitable and reasonable manner and that results in the reimbursement of~~  
9           ~~net incremental costs incurred by electric utilities to implement the program,~~  
10          ~~taking into consideration the benefits as well as the costs. The Public Utility~~  
11          ~~Commission shall adopt rules reforming the electric rates in order to better~~  
12          ~~protect consumers with low income and moderate income. The rules shall~~  
13          ~~require that each utility's tariffs include an energy assistance program for~~  
14          ~~which any household is eligible that earns not more than 60 percent of the~~  
15          ~~State median income and includes a tiered discount program. The tiers shall be~~  
16          ~~designed so that:~~

17                 ~~(1) if the household's income does not exceed 60 percent of the State~~  
18                 ~~median income and exceeds 185 percent of the federal poverty level, the~~  
19                 ~~monthly electric bills shall constitute not more than 10 percent of a qualifying~~  
20                 ~~residential household's monthly income; and~~





1 ~~approving a rate schedule, tariff, agreement, contract, or settlement that~~  
2 ~~provides reduced rates for low income electric utility consumers better to~~  
3 ~~ensure affordability. As used in this subsection, “low income electric utility~~  
4 ~~consumer” means a customer who has a household income at or below 185~~  
5 ~~percent of the current federal poverty level. When considering whether to~~  
6 ~~approve a rate schedule, tariff, agreement, contract, or settlement for low-~~  
7 ~~income electric utility consumers, the Commission shall take into account the~~  
8 ~~potential impact on, and cost shifting to, other utility customers.~~

9 \* \* \*

10 Sec. 7. 30 V.S.A. § 256 is added to read:

11 § 256. THERMAL ENERGY NETWORK DEVELOPMENT

12 (a) On or before October 1, 2023, the Public Utility Commission shall  
13 initiate a proceeding to support the development of thermal energy networks  
14 and the permitting of thermal energy network providers.

15 (b) The Commission shall adopt the rules pursuant to 3 V.S.A. chapter 25  
16 governing all aspects of the permitting, construction, operation, and rates as  
17 reasonably necessary. The Commission’s rules shall facilitate and prioritize  
18 establishment of thermal energy networks to serve customers with low income  
19 and moderate income, which may include reduced rates if necessary.

20 (c) The rules shall ensure that:

21 (1) permitting is simple, economic, and expeditious;

1           (2) permitting, construction, and operation are not limited, legally or by  
2 regulatory burden, to existing utilities;

3           (3) the Commission shall issue a certificate of public good for a thermal  
4 network utility that will serve less than 50 ratepayers on the 31st day following  
5 receipt of the application for a certificate of public good unless the  
6 Commission finds that an objection or a request for conditions has been filed,  
7 or that additional information is needed, or that the certificate would violate  
8 section 248 of this title; and

9           (4) facts and data submitted to the Commission by permit applicants and  
10 permittees are available to the public and to other utilities or potential utilities  
11 unless a compelling need for confidentiality is demonstrated.

12           (d) The Commission shall issue an order for an interim process, which may  
13 include authorizing pilot projects, and then shall adopt final rules not later than  
14 July 1, 2024.

15       Sec. 8. EFFECTIVE DATE

16           This act shall take effect on July 1, 2023.