

February 26, 2020

Efficiency Vermont Update

REBECCA FOSTER, DIRECTOR



Agenda

Efficiency Vermont Overview Act 62 Summary

- Weatherization Update

Looking Forward

- S. 337: EEMA
- DRP





Efficiency Vermont

- Statewide infrastructure
- Market transformation
- Network of partners

Results

- \$2.4 billion in energy cost savings
- 11 million metric tons of CO₂e
- Robust efficiency workforce

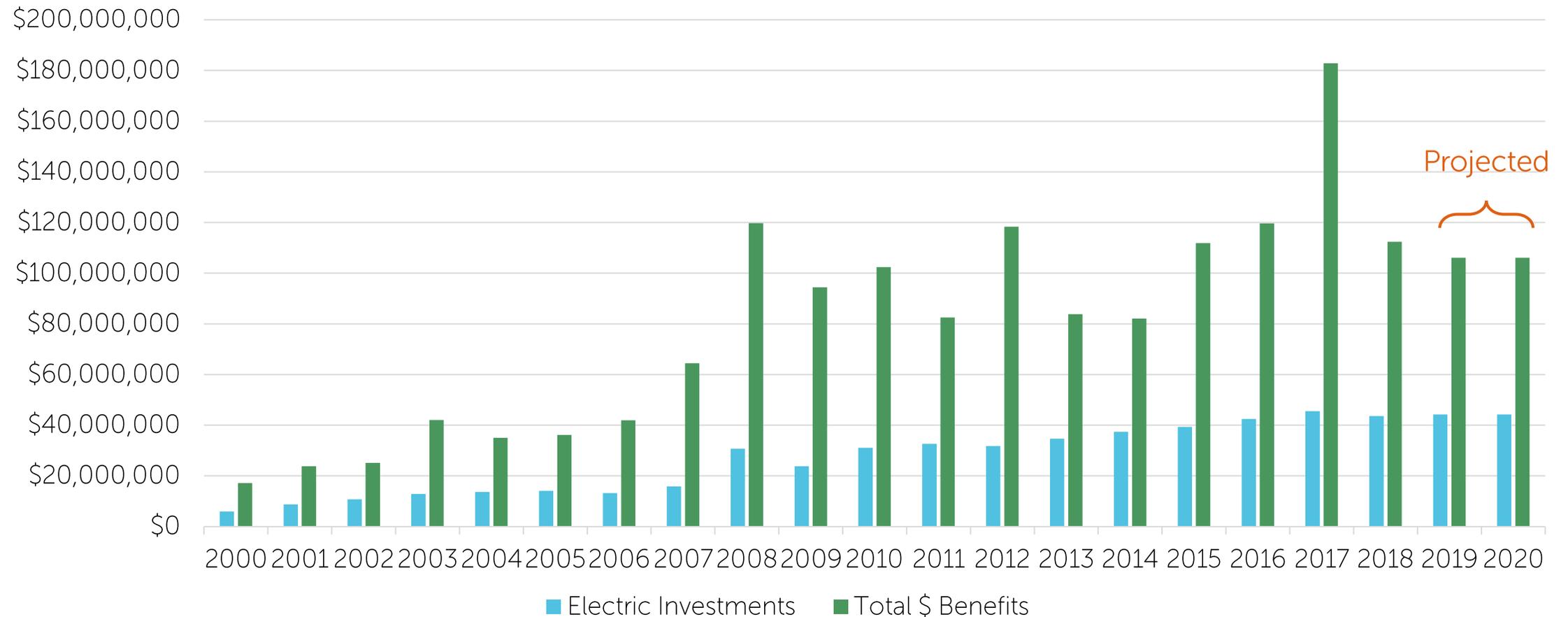
Serving All Vermonters

- In 2018, we served over **109,000 residential customers** and nearly **12,000 businesses**; that's nearly **20% of the state's population** in just one year
- Around **60% of Vermonters qualify** for income-based incentives (making under 120% median income)
- For the 12k businesses, the energy savings from those projects will **save around \$131 million** over the lifetime of those investments



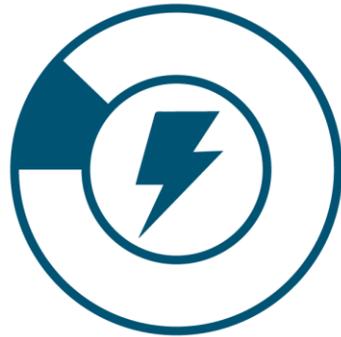
Electric Investments and Savings

The investments Vermonters have made through 2018 will generate over \$2.4 billion in energy savings, using \$658 million in ratepayer funds



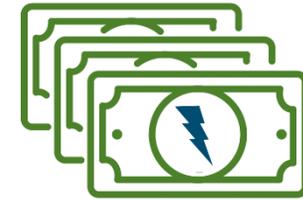
The Economic Value of Efficiency

Efficiency comprises **16%** of VT's electric portfolio, delivered at less than half the cost of purchasing new power.



16.2%

Percentage of Vermont's 2018 electric needs met by efficiency



3.8¢/kWh
Cost of saving electricity with efficiency

VS

9.1¢/kWh
Cost of supplying electricity



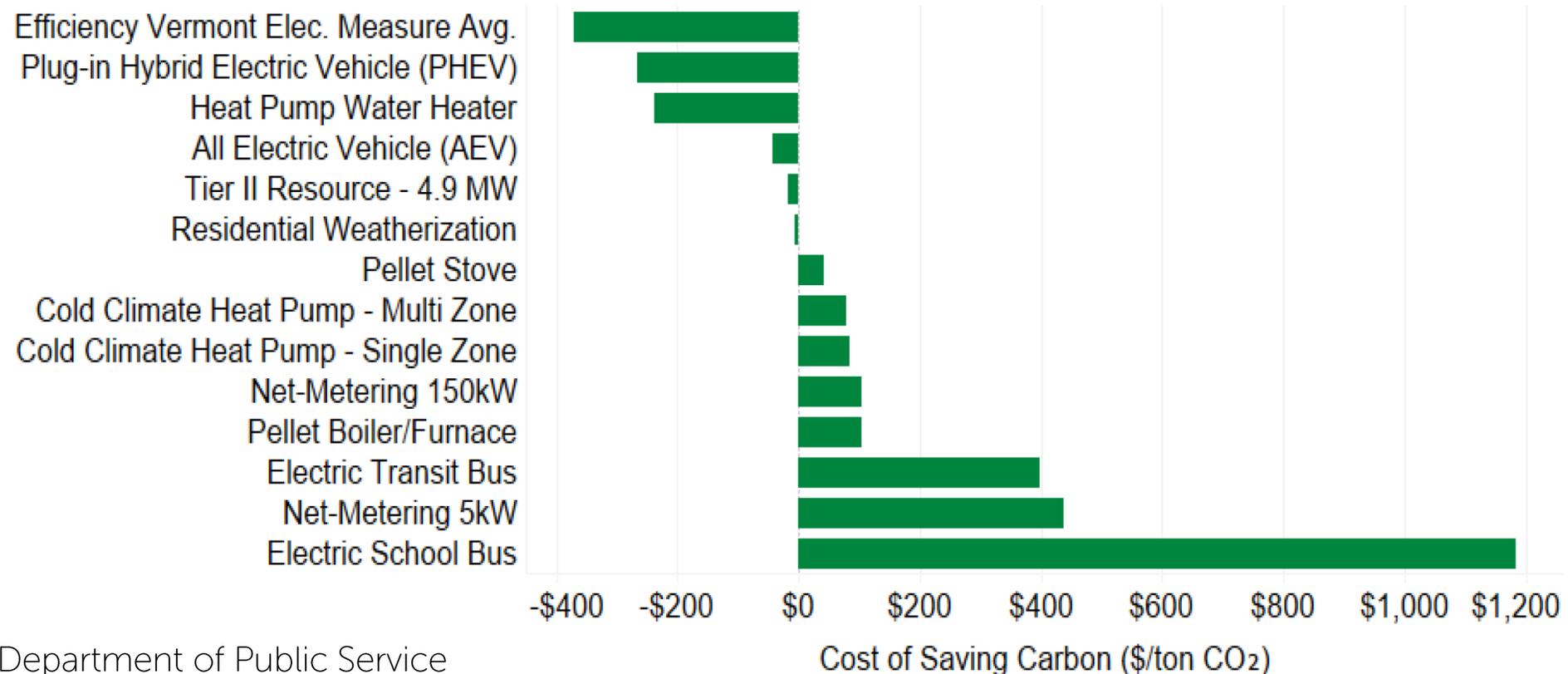
\$14.5/MMBtu
Cost of saving fossil fuel with efficiency

VS

\$22.2/MMBtu
Cost of supplying fossil fuel

Electric Efficiency is Lowest Cost Carbon Strategy

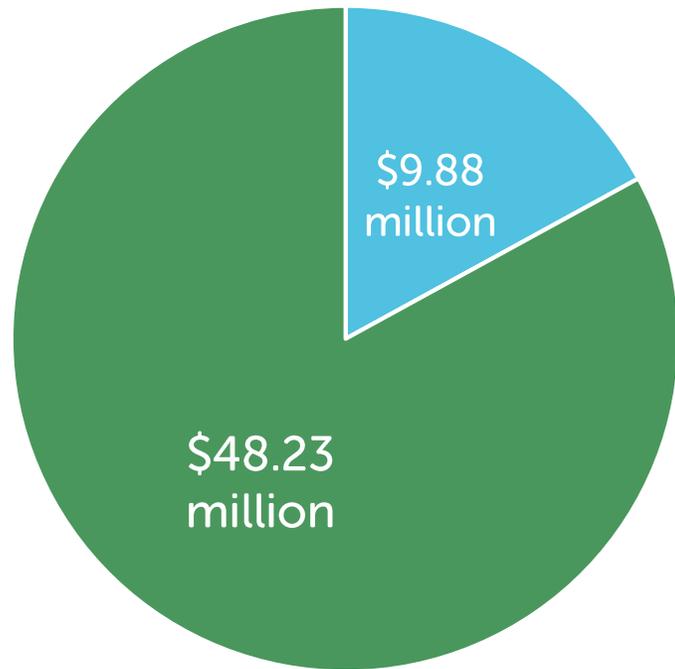
Results – Relative Cost of Carbon Reduction



Department of Public Service
2020 Annual Energy Report

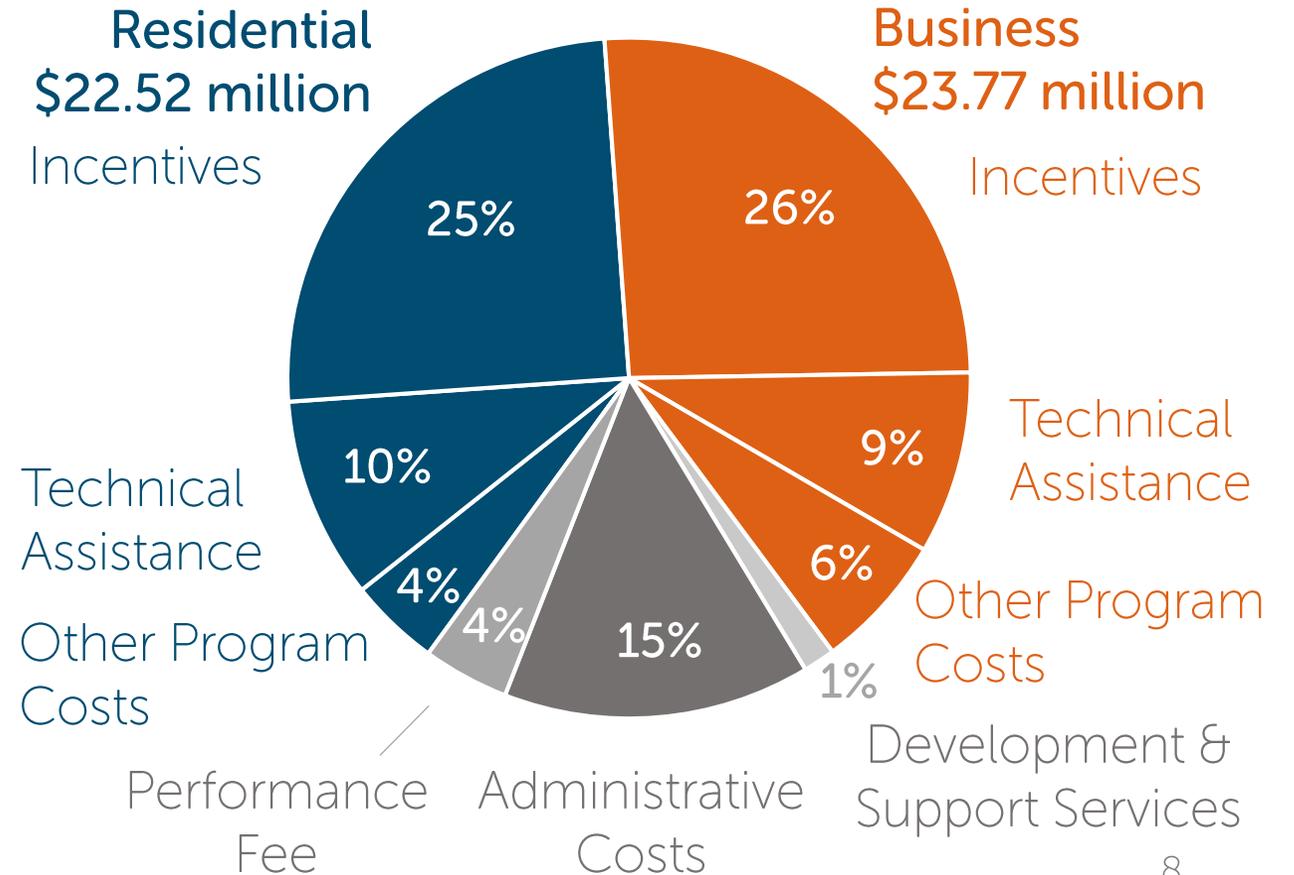
Efficiency Vermont Budget

Sources of Funds



■ RGGI & FCM ■ Energy Efficiency Charge

Uses of Funds



Vermont's Energy Burden



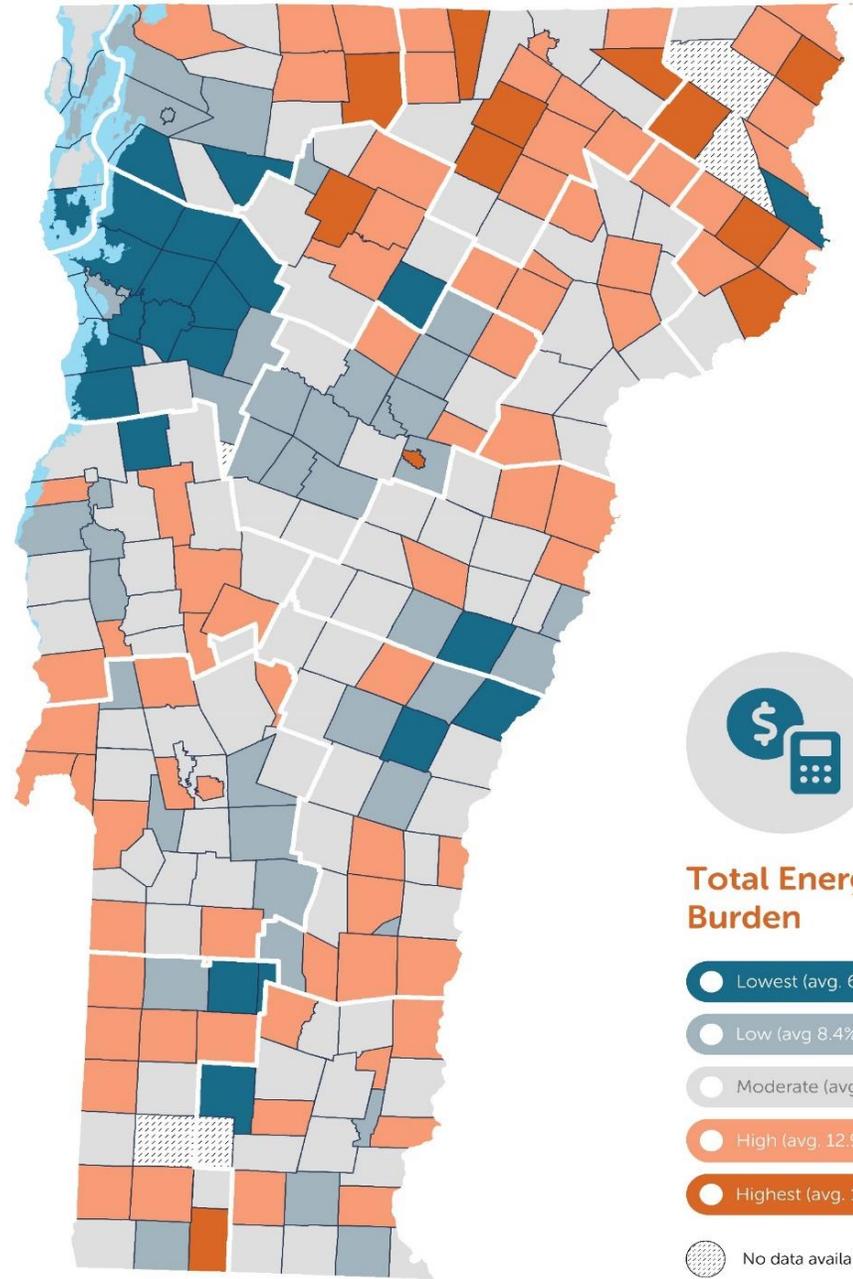
Energy Spending



Household Income



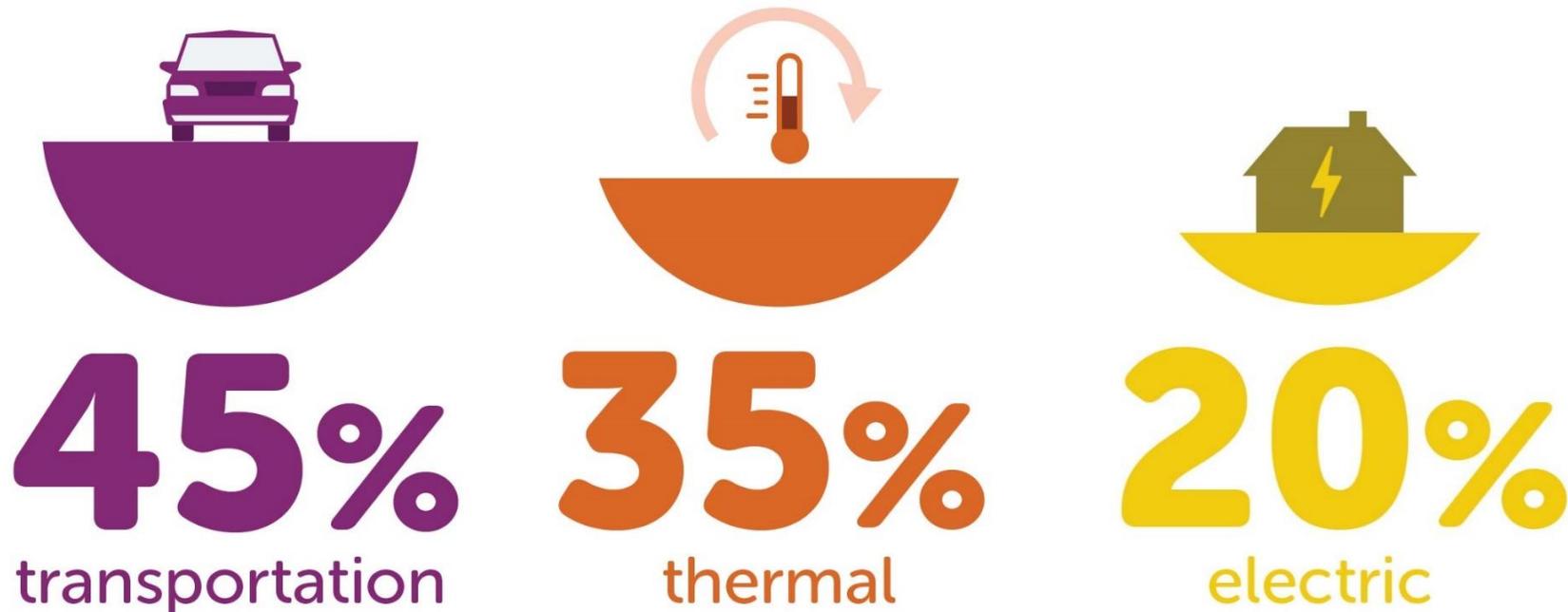
Total Energy Burden



Breakdown of Energy Burden

The average Vermont family spends **10% of their income on energy costs**.
This averages **\$5,800 each year**.

Costs break down across three energy sectors:



Act 62 Weatherization Ramp Up – Projects

On the path to doubling weatherization projects

- 3-pronged approach is working
 - **Incentives:** 50% of project cost, up to \$4,000, for moderate-income families
 - **Financing:** 0% interest rate available
 - **Outreach:** Over 900 free Home Energy Visits in 2019, supporting RPCs and energy committees
- Hundreds more comprehensive, basement or attic, and DIY projects
- Contractors are scheduling projects 3-5 months out



Act 62 Weatherization Ramp Up – Workforce

Vermont Technical College

- Providing funding for 50 Vermonters to become BPI-certified through courses at VTC
- 21 participants have completed the course so far
- First course filled up in 3 days, waiting lists for the other courses

NeighborWorks of Western Vermont

- Working to expand access to weatherization contractors & incentives in Northeast Kingdom and Bennington County
- HEAT Squad will oversee out-of-network contractors, verify quality of work to confirm standards are met

The Energy Efficiency Modernization Act (EEMA)

Overview

- **Proposed \$2 million/year:** similar size as other legislative pilot programs
- Room to innovate without cutting into core services
- No budget increase: Draws from **existing funds** (no new costs to ratepayers)
- Additive and collaborative with the **DU's work on Tier 3**
- **Directs us to propose programs that have a statewide benefit** and enables equity for different territories.
- Benefit from proven track record of successful **market transformation** to make efficient technology more **affordable for Vermonters**

The Energy Efficiency Modernization Act (EEMA)

Impact

- Actual programs would be **approved by the PUC**
- **5,000-6,000 metric tons of GHG emissions reductions**
- Practically, this means an additional:
 - **6,000 electric vehicle sales**
 - **750 weatherized homes**
 - **750 heat pumps**

Demand Resources Plan (DRP) Cycle

Every three years, Efficiency Vermont and the other EEU's complete a Demand Resources Plan (DRP) Proceeding with the PUC, which identifies the ways the EEU's will serve Vermonters over the next 3 and 6 years, including overall goals & budget.

2021-2023, 2024-2026 DRP filed in December:

- Continued focus on core services
- New GHG metric in addition to MWh and MMBTU
- Proposing ~15% on "evolved services" like refrigerant management, flexible load management
 - Finding new ways to innovate and save Vermonters \$\$
- Increase in low income work to 11% of budget
- Metric for equity across utility territories

Q&A

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