

**Clean Heat Standard Technical Advisory Group**

**March 7, 2024, DRAFT Meeting Minutes**

Attendees

- Members of the Technical Advisory Group present
  - TJ Poor, Vermont Department of Public Service
  - Jared Ulmer, Vermont Department of Health
  - Brian Woods, Vermont Agency of Natural Resources
  - Matt Cota, Meadow Hill Consulting
  - Luce Hillman, University of Vermont
  - Ken Jones, Individual
  - Michelle Keller, Fraktalas Energy
  - Casey Lamont, Burlington Electric Department
  - Sam Lehr, Coalition for Renewable Natural Gas
  - Emily Levin, Northeast States Coordinated Air Use Management
  - Emily Roscoe, Efficiency Vermont
  - Floyd Vergara, Clean Fuels Alliance America
  - Rick Weston, Individual
  - Patrick Wood, Ag Methane Advisors
- Facilitator
  - Catherine Morris, Consensus Building Institute
- Participating Vermont Public Utility Commission staff
  - Deirdre Morris
  - Dominic Gatti
- Other Participants
  - Matthew Bakerpoole, Vermont Department of Public Service
  - Ben Cartwright, NV5
  - Anthea Dexter-Cooper, Conservation Law Foundation
  - Nick Persampieri
  - Joe Plummer, Opinion Dynamics
  - Pike Porter
  - Zach Ross, Opinion Dynamics
  - Annette Smith, Vermonters for a Clean Environment
  - Matt Socks, NV5
  - Thomas Weiss
  - Bill Wheatle, NV5

Agenda & Actions

- I. Welcome - Chair (5 minutes) [*Time Stamp 0:00:00*]
  - a. Initiate recording
- II. Review of the agenda - Chair (10 minutes) [*Time Stamp 0:00:30*]
  - a. Introduction of the facilitator and her role

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- III. Review and approval of the 2/16/24 meeting minutes – Vice Chair (5 minutes) [*Time Stamp 0:03:17*]

*[Ken Jones moved to approve the February 16, 2024, Minutes. The motion was adopted by voice vote at 9:40 am.]*

- IV. Updates from the PUC (15 minutes) [*Time Stamp 0:04:38*]
- a. General update
  - b. Introduction of technical consultant and SOW
    1. You can find the SOW at <https://puc.vermont.gov/document/clean-heat-standard-technical-consultant-rfp>
- V. TAG Procedures (20 minutes) [*Time Stamp 0:17:28*]
- a. **Discussion:** Roberts Rules vs facilitated discussion; aspirations for strong majority support; open meeting law as applied to subcommittees<sup>i</sup>
- VI. DPS Potential Study – TJ Poor and NV5 (60 min) [*Time Stamp 0:26:45*]
- a. **Questions and Discussion:** Next steps
  - b. Public Comment (10 min)

*[Unresolved: NV5 measure list. There were questions on not explicitly considering burner replacements to accommodate biofuels, renewable fuels from purpose-grown crops, among other measures listed in statute. There was discussion surrounding how costs, non-energy impacts (e.g. health), and time to implement measures would be integrated into the analysis.]*

*[Next Steps: TAG member questions regarding NV5's presentation should be sent to Matthew Bakerpoole by next Friday, March 15. There will also be an ongoing effort to facilitate the expertise of the TAG to inform assumptions being made by the NV5 team.]*

- VII. PUC workshop on Pacing of Retirements – TAG members (15 min) [*Time Stamp 2:13:00*]
- a. Debrief public comments and workshop
  - b. **Discussion:** Should TAG develop recommendations on Pacing?

*[Next Steps: TAG leadership will consider how the TAG can best contribute to the open questions on this topic (e.g. reconciling the use of inventory data and reported fuel tax data, how/when obligations will be tied to sales). TAG will consider a breakout group on this topic, possibly using the Department of Public Service's filing on pacing as a proposal to react to.]*

- VIII. TAG workplan<sup>ii</sup> and schedule – Chair & Vice Chair (30 minutes) [*Time Stamp 2:28:00*]
- a. Formation of subgroups
  - b. Coordinating activities and timelines for TAG, technical and potential study consultants, and PUC proceedings
  - c. **Discussion:** TAG comments on overall schedule

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*[The group extended the meeting twice by unanimous consent – once at 12:34 pm to extend to 12:45 pm and again at 12:49 pm to 1:00 pm]*

*[Emily Levin introduced a motion for the group to adopt and send a statement to the Public Utility Commission:*

*The PUC's December 21<sup>st</sup>, 2023, draft schedule for the development and implementation of a Clean Heat Standard rule appears to be infeasible. Several proposed dates for filings and decision have already been missed. The Technical Advisory Group fully appreciates how ambitious the schedule set out in Act 18 is. We nonetheless feel that its key milestones can be achieved in the timeframes envisioned. Failure to meet the procedural deadlines will make it all the more difficult to meet the emissions reduction obligations of the Global Warming Solutions Act.*

*We urge the PUC to develop a revised procedural schedule for the rulemaking as soon as possible. We respectfully suggest that, to increase the efficiency of the process, the PUC consolidate activities where possible, make interim decisions where maintaining overall progress depends on them, and defer any activities upon which a final proposed rule by January 15, 2025 does not depend.*

*The TAG stands ready to assist the PUC in this effort.*

*Clean Heat Standard Technical Working Group*

*7 March 2024*

*Motion amended by TJ Poor at 12:53 pm. Brian Woods moved to table Levin's motion at 12:59 pm. Woods' motion was adopted by unanimous consent.]*

- IX. Collaboration with Equity Advisory Group - Chair (5 min) *[Agenda item not reached]*
  - a. **Discussion:** Suggestions for how to coordinate/collaborate with EAG
- X. Other matters - Chair (10 minutes) *[Agenda item not reached]*
  - a. **Discussion:** Agenda topics for next meeting – Thurs., Mar. 21, 9:30 – 12:30
- XI. Public Comment (10 min) *[Time Stamp 3:07:47]*
- XII. Close - Chair (1 minute) *[Time Stamp 3:23:00]*

*[The group adjourned by unanimous consent at 1:00 pm.]*

*Meeting Recording*

<https://youtu.be/q799sxZLh0I>

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<sup>i</sup>As currently interpreted in draft procedures:

The TAG may form subcommittees to effectively delegate the work of the group. Subcommittees fall within the definition of a “public body” [1] and must adhere to the Open Meeting Law.

[2] Subcommittees are responsible for their own scheduling, agendas, and minutes, and must share these materials with Commission staff so that they are posted in accordance with the Open Meeting Law.

[1] 1 V.S.A. § 310(4) “Public body” means any board, council, or commission of the State or one or more of its political subdivisions, any board, council, or commission of any agency, authority, or instrumentality of the State or one or more of its political subdivisions, or any committee of any of the foregoing boards, councils, or commissions, except that “public body” does not include councils or similar groups established by the Governor for the sole purpose of advising the Governor with respect to policy.

[2] 1 V.S.A. § 310(3)(A) “Meeting” means a gathering of a quorum of the members of a public body for the purpose of discussing the business of the public body or for the purpose of taking action.

<sup>ii</sup> Relevant portions of Act 18

### **§ 8128. Clean Heat Standard Technical Advisory Group**

(a) The Commission shall establish the Clean Heat Standard **Technical Advisory Group (TAG)** to assist the Commission in the ongoing management of the Clean Heat Standard. Its duties shall include:

- (1) establishing and revising the lifecycle carbon dioxide equivalent (CO<sub>2</sub>e) emissions accounting methodology to be used to determine each obligated party’s annual requirement pursuant to subdivision 8124(a)(2) of this chapter;
- (2) establishing and revising the clean heat credit value for different clean heat measures;
- (3) periodically assessing and reporting to the Commission on the sustainability of the production of clean heat measures by considering factors including greenhouse gas emissions; carbon sequestration and storage; human health impacts; land use changes; ecological and biodiversity impacts; groundwater and surface water impacts; air, water, and soil pollution; and impacts on food costs;
- (4) setting the expected life length of clean heat measures for the purpose of calculating credit amounts;
- (5) establishing credit values for each year over a clean heat measure’s expected life, including adjustments to account for increasing interactions between clean heat measures over time so as to not double-count emission reductions;
- (6) facilitating the program’s coordination with other energy programs;

- (7) calculating the impact of the cost of clean heat credits and the cost savings associated with delivered clean heat measures on per-unit heating fuel prices;
- (8) calculating the savings associated with public health benefits due to clean heat measures;
- (9) coordinating with the Agency of Natural Resources to ensure that greenhouse gas emissions reductions achieved in another sector through the implementation of the Clean Heat Standard are not double-counted in the Vermont Greenhouse Gas Emissions Inventory and Forecast;
- (10) advising the Commission on the periodic assessment and revision requirement established in subdivision 8124(a)(3) of this chapter; and
- (11) any other matters referred to the TAG by the Commission.

(c) The Commission shall hire a third-party consultant responsible for developing clean heat measure characterizations and relevant assumptions, including CO<sub>2</sub>e lifecycle emissions analyses. The TAG shall provide input and feedback on the consultant's work. The Commission may use appropriated funds to hire the consultant.

(d) Emission analyses and associated assumptions developed by the consultant shall be reviewed and approved annually by the Commission. In reviewing the consultant's work, the Commission shall provide a public comment period on the work. The Commission may approve or adjust the consultant's work as it deems necessary based on its review and the public comments received. (Added 2023, No. 18, § 3, eff. May 12, 2023.)

#### **§ 8124. Clean Heat Standard compliance**

(d) Equitable distribution of clean heat measures.

- (2) Of their annual requirement, each obligated party shall retire at least 16 percent from customers with low income and an additional 16 percent from customers with low or moderate income.

For each of these groups, at least one-half of these credits shall be from installed clean heat measures that require capital investments in homes, have measure lives of 10 years or more, and are estimated by the **Technical Advisory Group** to lower annual energy bills. Examples shall include weatherization improvements and installation of heat pumps, heat pump water heaters, and advanced wood heating systems. The Commission may identify additional measures that qualify as installed measures.

#### **§ 8127. Tradeable clean heat credits**

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(b) Credit ownership. The Commission, in consultation with the **Technical Advisory Group**, shall establish a standard methodology for determining what party or parties shall be the owner of a clean heat credit upon its creation. The owner or owners may transfer those credits to a third party or to an obligated party.