

1 H.242

2 Introduced by Representatives Cordes of Lincoln, Andriano of Orwell,
3 Anthony of Barre City, Bos-Lun of Westminster, Burrows of
4 West Windsor, Buss of Woodstock, Campbell of St. Johnsbury,
5 Casey of Montpelier, Chase of Colchester, Chesnut-Tangerman
6 of Middletown Springs, Cole of Hartford, Dodge of Essex,
7 Elder of Starksboro, Goldman of Rockingham, Headrick of
8 Burlington, Hyman of South Burlington, Logan of Burlington,
9 McGill of Bridport, Mrowicki of Putney, Mulvaney-Stanak of
10 Burlington, Patt of Worcester, Pouech of Hinesburg, Sims of
11 Craftsbury, Small of Winooski, Stebbins of Burlington,
12 Templeman of Brownington, Toleno of Brattleboro, Torre of
13 Moretown, and Troiano of Stannard

14 Referred to Committee on

15 Date:

16 Subject: Public service; energy; thermal energy

17 Statement of purpose of bill as introduced: This bill proposes to give the
18 Public Utility Commission (PUC) jurisdiction over the construction and
19 operation of utility model thermal energy networks.

20 An act relating to thermal energy networks

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

2 Sec. 1. SHORT TITLE

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

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

6 § 201. DEFINITIONS

7 As used in this chapter:

8 * * *

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

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

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

20 § 203. JURISDICTION OF CERTAIN PUBLIC UTILITIES

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(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.

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1 Sec. 5. 30 V.S.A. § 256 is added to read:

2 § 256. THERMAL ENERGY NETWORK DEVELOPMENT

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

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

11 (c) The rules shall ensure that:

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

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

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

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

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

7 Sec. 6. EFFECTIVE DATE

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