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# Vermont Energy Efficiency Charge Mechanics

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## **Review of Steps to setting annual Energy Efficiency Charge Rates in Vermont (1)**

- **Step 1: Set the Budget**
  - Set for three year period following robust public stakeholder process
- **Step 2: Gather Data**
  - kW and kWh sales and revenue data from most recent calendar year (less exempt customers)
  - Uncollectible EEC revenue for previous year + carrying charge
  - Previous year's over/under collections
- **Step 3: Calculate Rate as follows**



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## **Review of Steps to setting annual Energy Efficiency Charge Rates in Vermont (2)**

- Amount to be allocated = Total Budget + Uncollectible Revenue +/- under/over collections
- Class Collection Amount = % class revenue of total (not including exempt customers) \* Total Amount to be allocated
- Class kWh rate = Class collection amount / Class kWh sales
- For customers with demand charges, the allocation is made by demand revenue and kWh revenue
- Adjustment to account for allocable taxes (1%)



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## General Terms

- Constant rates for 12 calendar months (begin bills rendered Feb 1 of each year) except for cause
- All retail customer bills included except
  - those exempted from energy efficiency services;
  - station service;
- Payment of the charge is a requirement of electric service
- EEC shown as a separately stated line item on the bill
- Some specific taxes on EEC applies
- <http://psb.vermont.gov/sites/psb/files/rules/OfficialAdoptedRules/Adopted%20Rule%205%20300.pdf>



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## Example Rates (2015 Efficiency Vermont)

### Rates for Customers Without Demand Charges

Residential	\$0.01173/kWh
Commercial	\$0.01008/kWh
Industrial	\$0.00719/kWh

### Rates for Customers With Demand Charges

Commercial demand customers	\$0.00648/kWh plus \$1.0543/kW
Industrial demand customers	\$0.00484/kWh plus \$1.1344/kW

### Rates for Unmetered Street and Security Light Customers

\$0.0101/kWh times the nominal wattage of the light times 360 hours per month