



**State of Vermont  
Public Utility Commission**

**FOR IMMEDIATE RELEASE:**

**MEDIA RELEASE**

**VERMONT PUBLIC UTILITY COMMISSION OPENS PROCEEDINGS ON  
POTENTIAL CLEAN HEAT STANDARD**

**Montpelier, VT** – On June 30, 2023, the Vermont Public Utility Commission (“Commission”) issued two Orders to begin the process of designing a potential Clean Heat Standard program as directed by Act 18 of 2023 (the Affordable Heat Act). This marks the beginning of what will be an 18-month process of stakeholder engagement, public input, and rigorous analysis that will culminate in the Commission submitting proposed rules to the Legislature for approval.

The aim of Act 18 is to reduce greenhouse gas emissions in the heating-fuel sector, in line with the State’s decarbonization requirements. It directs the Commission to design a regulatory structure that would create “clean heat credits,” a tradeable commodity that represents a unit of greenhouse gas reduction attributable to a “clean heat measure.” Clean heat measures may include weatherization, heat pumps, electric water heaters, reduced carbon-intensity fuels, and more. Under the proposed system, certain heating fuel suppliers (known as “obligated parties”) would obtain clean heat credits by delivering clean heat measures that reduce the lifecycle emissions attributable to their customers’ heating of homes and buildings. If the Legislature approves the program designed through the Commission’s public rulemaking process, obligated parties would be required to retire a certain number of credits every year by paying a “default delivery agent” to deliver clean heat services on their behalf, by purchasing credits on the market, or by installing clean heat measures themselves.

As required by Act 18, the Commission has opened two proceedings:

- 1) Case No. 23-2220-RULE is the actual rulemaking process, which will address the overall design of the program, including the credit market, annual credit requirements, statewide registry, possible funding streams, technical specifications, and other structural aspects. This proceeding will include multiple public hearings, workshops, and opportunities to comment.
- 2) Case No. 23-2221-INV will be an investigatory docket on the specific subject of the budget and plans for a default delivery agent, including the number of credits the default delivery agent would make available and at what cost.

“The Commission has structured these proceedings to facilitate a robust and collaborative design process,” said Commission Chair Anthony Roisman. “We look forward to working with Vermont customers, fuel suppliers, and interested stakeholders to create proposed rules that address our statutory mandate in an equitable manner.”

These Orders can be found by searching for Case No. 23-2220-RULE and Case No. 23-2221-INV on [ePUC](#), the Commission’s online document-management system. Stay up to date on these proceedings by going to [epuc.vermont.gov](http://epuc.vermont.gov), logging in or creating an account, using the “Search by Case Number” feature to find the desired case, clicking into the case, and selecting “Subscribe to this Case” in the dropdown menu at the top of the screen. Filling out the form that pops up will sign you up for email alerts when new filings are made in the case. Further explanation on how to use ePUC can be found in the [FAQ section](#). For more information about these proceedings, including how to become a participant, please contact the [Clerk](#) of the Commission, Holly Anderson, at [puc.clerk@vermont.gov](mailto:puc.clerk@vermont.gov).

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