

REPORT TO THE VERMONT LEGISLATURE

Self-Managed Energy Efficiency Programs

Pursuant to 30 V.S.A. § 209(j)(4)(G)

Submitted by the Vermont Public Utility Commission

April 28, 2023

I. Introduction and Statutory Basis

The Self-Managed Energy Efficiency Program (“SMEEP”) was created in 2009 by Act 45¹ and amended in 2017 by Act 150² to allow eligible transmission and industrial ratepayers to manage their own energy efficiency programs. This allows those entities to be exempt from the energy efficiency charge that funds the Energy Efficiency Utility program under 30 V.S.A. § 209(d)(3). As a condition of participating in SMEEP, an exempt ratepayer who paid at least \$1.5 million in energy efficiency charges in 2008 must commit to spending an annual average of at least \$1 million over a three-year period on energy efficiency investments. An exempt ratepayer who paid at least \$1.5 million in 2017 must commit to spending an annual average of at least \$500,000. SMEEP became effective on January 1, 2010.

Pursuant to 30 V.S.A. § 209(j)(4)(G), the Public Utility Commission (“Commission”)

shall report to the general assembly annually by April 30 concerning the prior calendar year’s class of self-managed energy efficiency programs. The report shall include identification of participants, their annual investments, and resulting savings, and any actions taken to exclude entities from the program.

II. Identification of Participants

There are two participants in SMEEP:

- GlobalFoundries U.S. 2 LLC (“GlobalFoundries”) assumed ownership of the IBM-Vermont facility on July 1, 2015, and assumed the obligations and outstanding commitments made by IBM relative to the SMEEP program. GlobalFoundries was approved to participate in SMEEP beginning January 1, 2016, and GlobalFoundries was re-approved effective January 1, 2019. GlobalFoundries is currently seeking reapproval from the Commission.
- Omya, Inc., was approved to participate in SMEEP on October 24, 2018, and will be seeking reapproval from the Commission.

III. Annual Investments

GlobalFoundries represents that it invested \$1,682,437 in energy efficiency in 2022.³

¹ Public Act 45, § 14 (2009 Vt., Bien. Sess.), now codified as 30 V.S.A. § 209(j).

² Public Act 150, § 1 (2017 Vt., Bien. Sess.).

³ GlobalFoundries’ 2022 SMEEP report may be reviewed at:
<https://epuc.vermont.gov/?q=downloadfile/664643/177751>.

Omya represents that it invested \$738,804 in energy efficiency in 2022.⁴

IV. Annual Savings

GlobalFoundries estimates that the energy efficiency investments at its facility in 2022 will save approximately 1,038,004 kWh per year in electricity. In addition, GlobalFoundries estimates that its 2022 investments will save approximately 16,482,904 kWh in electricity over their lifetime.

Omya estimates that the energy efficiency investments at its facility in 2022 will save approximately 1,414,242 kWh per year in electricity. In addition, Omya estimates that its 2022 investments will save approximately 14,342,255 kWh in electricity over their lifetime. Omya also estimates fuel savings of 23,738 MMBtu per year from its 2022 investments.⁵

V. Actions taken to exclude entities from SMEEP

Section 209(j)(4) requires that, in order to be eligible to participate in SMEEP, a ratepayer must have paid energy efficiency charges of at least \$1.5 million in calendar year 2008 or 2017. The Commission is not aware of any entities, other than GlobalFoundries and Omya, that meet this criterion, and GlobalFoundries and Omya are the only entities that have applied to participate in SMEEP. Therefore, the Commission has taken no action to exclude any entity from SMEEP.

VI. Conclusion

As detailed above, there are two eligible transmission and industrial ratepayers, GlobalFoundries and Omya, that participate in the SMEEP program and, therefore, manage their own energy efficiency programs and are exempt from the energy efficiency charge. GlobalFoundries and Omya continue to report annually on their progress. The Commission assesses whether these entities remain eligible, pursuant to the statutory SMEEP requirements, as well as evaluates these entities' reapplication to the SMEEP program every three years.

⁴ Omya's 2022 SMEEP report may be reviewed at:
<https://epuc.vermont.gov/?q=downloadfile/651807/178636>.

⁵ Pursuant to the program design proposed by the Department of Public Service ("Department") and approved by the Commission, the Department is required to verify the savings estimated by program participants. See *Order establishing a self-managed energy efficiency program ("SMEEP")*, 12/28/09 and attachment. As of the date of this report, this verification has not yet taken place for the calendar year 2022 estimates provided by GlobalFoundries and Omya.