

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 26, 2024

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 most recently re-approved effective January 1, 2022. This is GlobalFoundries’ second report for the three-year period.
- 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 \$3,603,425 in energy efficiency in 2023.³

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’ 2023 SMEEP report may be reviewed at:

<https://in-ecm.epuc.vermont.gov/AppNet/docpop/docpop.aspx?clienttype=activex&docid=443190>.

Omya represents that it invested \$309,806 in energy efficiency in 2023.⁴ Based on Omya's reporting and projections, Omya is on track to meet the required minimum investment in energy efficiency and energy productivity programs over the three-year period for 2022-2024.

IV. Annual Savings

GlobalFoundries estimates that the energy efficiency investments at its facility in 2023 will save approximately 2,253,301 kWh per year in electricity. In addition, GlobalFoundries estimates that its 2023 investments will save approximately 15,408,259 kWh in electricity over their lifetime.

Omya estimates that the energy efficiency investments at its facility in 2023 will save approximately 1,446,497 kWh per year in electricity. In addition, Omya estimates that its 2023 investments will save approximately 37,692,450 kWh in electricity over their lifetime.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 2023 SMEEP report may be reviewed at:

<https://in-ecm.epuc.vermont.gov/AppNet/docpop/docpop.aspx?clienttype=activex&docid=447580>.

⁵ The Commission is currently working to verify the data presented in Omya's 2023 report. 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 2023 estimates provided by GlobalFoundries and Omya.