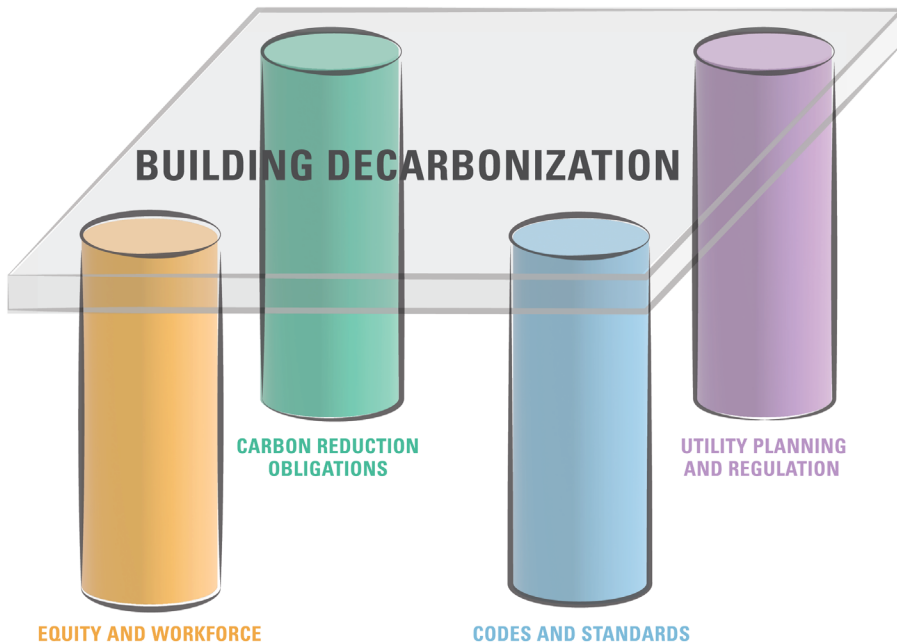


**NEEP's 2024 Regional Roundup provides a snapshot of Vermont's current policies and progress towards greater energy efficiency and building decarbonization.**

Policies and performance are organized across the four categories from NEEP's 2024 report, *Decarbonizing Buildings: How States can Set the Table for Success*. The categories, or "legs of the table," include Utility Planning and Regulation, Codes and Standards, Carbon Reduction Obligations, and Equity and Workforce.



- Vermont leads the region in enacting building decarbonization policies. Vermont launched the first ever energy efficiency utility in 2000, Efficiency Vermont.
- In 2008, Efficiency Vermont started to serve homes heated with fossil fuels, in addition to their existing electric customers.
- In addition to energy efficiency investments, Vermont is also pursuing a statewide clean heat standard. This standard looks to regulate fossil fuel dealers in the state and mandate that they provide clean heat measures to reduce building emissions. It works to reduce fossil fuel consumption and incentivize the installation of clean heating technology.
- Vermont is the only state with a statewide home energy profile tool that enables homeowners to identify if their home needs efficiency improvements.

## UTILITY PLANNING AND REGULATION



UTILITY PLANNING AND REGULATION

Utility Planning and Regulation identifies mandates and frameworks to ensure that utility investment, rates, and programs align with building decarbonization goals. This section includes a *Climate-Forward Energy Efficiency By-the-Numbers* table, which shows performance data for 2021 and current program goals for the state, an overview of policies the state has adopted to implement climate-forward energy efficiency programs, and any planning and regulation the state is pursuing to decarbonize the grid.

Climate-Forward Energy Efficiency by the Numbers		
	Vermont	Regional Average
Savings as a Percent of Retail Sales in 2021*	Electric: 1.39% Gas: 0.31%	Electric: 1.13% Natural Gas: .43%
Low Income Spending Per Qualified Resident in 2021*	\$71.98	\$36.00
Current Portfolio Goals	2025 Electricity Savings Goal <sup>†</sup> : 1.21% 2025 Gas and Delivered Fuels Savings Goal <sup>‡</sup> : 0.21% 2025 GHG Reduction Goal <sup>§</sup> : 40,132 MT CO <sub>2</sub> e	

\* Data from 2022 ACEEE State Scorecard.

† Calculated as a percentage of 2022 sales. Sales data from EIA. Goal from Efficiency Vermont 2024-2026 Triennial Plan.

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### Climate-Forward Energy Efficiency

<b>Energy Efficiency Program Administrator</b>	Vermont’s statewide energy efficiency portfolio is implemented by <a href="#">Efficiency Vermont</a> , an energy efficiency utility. Programs are implemented in three-year cycles. Efficiency Vermont is currently implementing the <a href="#">2024-2026 Triannual Plan</a> .
<b>Program Goals</b>	<p>The <a href="#">Efficiency Vermont 2024 – 2026 Triennial Plan</a> establishes the following goals.</p> <p><i>2024 – 2026 Electric Efficiency Performance Goals and Minimum Performance Requirements:</i></p> <ul style="list-style-type: none"> <li>• Total Resource Benefits: \$180,842,000</li> <li>• Annual Electricity Savings: 193,200 MWh</li> <li>• Statewide Summer Peak Demand Savings: 20,600 kW</li> <li>• Statewide Winter Peak Demand Savings: 28,400 kW</li> <li>• Greenhouse Gas Reduction: 98,500 metric tons of CO<sub>2</sub>e</li> <li>• Flexible Load: 2,260 kW</li> <li>• Administrative Efficiency: 5% administrative cost reduction</li> </ul> <p><i>2024 – 2026 Thermal Energy and Fuels Sector Goals:</i></p> <ul style="list-style-type: none"> <li>• Annual Savings: 381,300 MMBtu</li> <li>• Residential Single-Family Comprehensiveness (air leakage reduction, percentage of projects with insulation, and percentage of households that implement shell and heating systems measures within three years)</li> <li>• Housing Units Weatherized: 3,700</li> <li>• Greenhouse Gas Reduction: 20,900 metric tons of CO<sub>2</sub>e</li> </ul>

## UTILITY PLANNING AND REGULATION



### UTILITY PLANNING AND REGULATION

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### Climate-Forward Energy Efficiency

<b>Benefit Cost Analysis</b>	<p>Base test: <a href="#">Societal Cost Test</a></p> <p>Non-energy impacts: greenhouse gas emissions, fuel savings, an adder for participant non-energy benefits, and an adder for low-income household benefits.</p>
<b>Utility Performance Incentives</b>	<p>For Efficiency Vermont, program goals are linked to compensation and minimum performance requirements are linked to compensation. The exact metrics can be found in the <a href="#">2024 – 2026 Plan</a>.</p>
<b>Fuel Switching Policies</b>	<ul style="list-style-type: none"> <li>Vermont passed <a href="#">Act 151</a> (the <a href="#">Energy Efficiency Modernization Act</a>) in 2020. The law allows for a portion of the state’s energy efficiency benefits charge to be used for programs that reduce GHG emissions in the building or transportation sector.</li> <li><a href="#">Efficiency Vermont</a> has minimum performance requirements for total electric benefits.</li> </ul>
<b>Statewide Qualified Contractor Network</b>	<p>Vermont’s <a href="#">Efficiency Excellence Network (EEN)</a> is a trade network of contractors, installers, retailers, designers, builders, and architects. The network has over 450 businesses. The network is maintained by Efficiency Vermont, which ensures contractors are trained to deliver the highest-quality efficiency technologies and services.</p>

## UTILITY PLANNING AND REGULATION



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### Climate-Forward Energy Efficiency

#### Centering Equity in Climate-Forward Efficiency Programs

[Efficiency Vermont](#) has performance requirements centered on equity and tracks metrics throughout its portfolio. These metrics include level of participation by residential and small business customers, geographic equity by county (total resource benefits amount for each geographic area) geographic equity-utility territory (customers lifetime savings for each distribution utility), and service quality.

### Long-Term Planning

#### Clean Heat and Building Decarbonization Programs

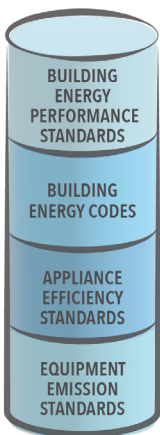
Vermont has a [renewable energy standard program](#) broken into three tiers. Tiers I & II address total renewable energy generated in the state and distributed renewable generation. Tier III mandates projects that reduce fossil fuel consumption, which includes converting homes that heat with fossil fuels to heat pumps and other fuel switching projects.

#### Long-Term Utility Planning

No current policies in place.



## CODES AND STANDARDS



**CODES  
AND STANDARDS**

Codes and standards establish a clear timetable for improving the energy performance of new and existing buildings, appliances, and equipment, spurring changes in technologies and building practices. The Regional Roundup provides additional information on policies in this area that operate at the city level to highlight how communities are taking the lead. Programs such as benchmarking and home energy labeling programs are also included, even when just voluntary, as they can be a precursor for BPS or mandatory home energy score programs.

<b>Building Energy Codes</b>	Vermont adopted the <a href="#">2024 Residential Building Energy Standards (RBES)</a> base code and the <a href="#">2024 Commercial Building Energy Standards (CBES)</a> on July 1, 2024. Both are based on the 2021 IECC.
<b>Stretch Energy Codes</b>	Vermont uses the 2024 Residential Building Energy Standards (RBES) stretch code. This code is an enhanced version of the basic RBES and requires higher performance materials and design.
<b>Building Performance Standards</b>	No current policies in place.
<b>Benchmarking</b>	No current policies in place.
<b>Home Energy Labeling</b>	<ul style="list-style-type: none"> <li>• The <a href="#">Vermont Home Energy Label</a> allows residents to create a free home energy profile online and highlights potential energy efficiency improvements.</li> <li>• The city of Montpelier passed the <a href="#">Home Energy Information Ordinance</a> that requires sellers in the city to provide a <a href="#">Vermont Home Energy Profile (VHEP)</a> when listing a home for sale.</li> </ul>
<b>Appliance Efficiency Standards</b>	Act 139 ( <a href="#">Appliance Efficiency</a> ) passing new appliance standards went into effect July 1, 2018. For more information, see <a href="#">NEEP's Federal and State Appliance Standards Tracker</a> .
<b>Equipment Emission Standards</b>	No current policies in place.

## CARBON REDUCTION OBLIGATIONS



**CARBON REDUCTION OBLIGATIONS**

Carbon reduction obligations set performance requirements for obligated parties, such as energy providers, to reduce carbon emissions or install clean heating systems. This section also includes any policies that articulate statewide climate goals and involvement in a regional cap and invest program because both programs are aligned with the policies under carbon reduction obligations and can be a part of a future clean heat standard or statewide cap and invest.

<b>Climate Goals</b>	In 2020, Vermont passed the <a href="#">Global Warming Solutions Act</a> . This requires the state to reduce greenhouse gas pollution to 26% below 2005 levels by 2025 and 40% below 1990 levels by 2030 and 80% below by 2050.
<b>Clean Heat Standard</b>	Vermont passed <a href="#">Act 18 (the Affordable Heat Act)</a> in 2023, which required the state to design a Clean Heat Standard (CHS) to be approved by the Vermont General Assembly in 2025. Vermont Public Utilities Commission (PUC) is currently <a href="#">designing the CHS</a> with the help of a Technical Advisory Committee and an Equity Advisory Committee. The PUC has two dockets open for the proceeding, Docket 23-2220-RULE (developing the rules and procedures) and Docket No. 23-22221-INV (identifying the potential delivery agents). It will file its recommendations to the Vermont General Assembly in January 2025.
<b>Regional Cap-and-Invest</b>	Vermont participates in the <a href="#">Regional Greenhouse Gas Initiative</a> (RGGI). Vermont invests a <a href="#">majority of its allowance proceeds</a> in programs run by Efficiency Vermont. These funds allow for the program to serve fossil fuel homes.
<b>State Cap-and-Invest</b>	Act 148 ( <a href="#">The Transportation Bill</a> ) requires the Agency of Natural Resources (ANR) and Agency of Transportation to study the benefits and costs of a cap-and-invest program and the options for joining an existing program as a strategy that could support meeting the state's requirements for cutting climate pollution. ANR held a webinar to <a href="#">introduce the study in 2024</a> .

## CARBON REDUCTION OBLIGATIONS

2 of 2

CARBON REDUCTION  
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**Centering Equity in  
Carbon Reduction  
Obligations**

- According to the [enacting legislation](#), the Vermont Clean Heat Standard provides an equitable opportunity to participate and benefit from clean heat measures. The law requires at least 16 percent of measures to be delivered to low-income customers and an additional 16 percent to moderate- or low-income customers.
- The Vermont Clean Heat Standard law requires the establishment of an [Equity Advisory Group](#) to ensure the program serves low- and moderate-income customers and that these customers are not negatively impacted by any changes in fuel prices that might occur as a result of the CHS.



## EQUITY AND WORKFORCE



**EQUITY AND WORKFORCE**

Equity and workforce investments address housing and workforce inequities by empowering historically marginalized communities and ensuring that the energy transition is just and inclusive. This section includes policies that prioritize community empowerment through defining environmental justice communities and/or convening community members to have meaningful input on climate and energy policies in the state. It also highlights any statewide goals or metrics that mandate programs to deliver a certain level of benefits to communities. Finally, it provides a snapshot of the inclusive workforce programs and policies within each state.

### ***Statewide Equity Initiatives***

<b>Community Empowerment</b>	In 2022, Vermont passed <a href="#">Act 154 (the Vermont Environmental Justice Law)</a> . It protects communities from disproportionate environmental burdens such as polluted air and water and requires state agencies to meaningfully engage Vermonters in decision-making processes. It created an <a href="#">Environmental Justice Advisory Council</a> to provide advice and recommendations to state agencies and the Vermont General Assembly, and an <a href="#">Interagency Environmental Justice Committee</a> to guide and coordinate implementation of Act 154.
<b>Metrics and Goals</b>	Efficiency Vermont has low-income sector minimum spending requirements. They conducted a statewide <a href="#">energy burden study in 2023</a> to identify the areas of the state with the highest energy burdens and to design programs to meet their needs.
<b>Home Upgrade Hubs</b>	No current policies in place.

### ***Inclusive Workforce Development***

<b>Inclusive Workforce Development</b>	In 2021, Vermont <a href="#">passed legislation</a> creating a Weatherization Workforce Group to develop plans to grow and standardize a statewide building sciences curriculum. The result was a comprehensive <a href="#">Weatherization Workforce Plan</a> .
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## VERMONT'S BUILDING DECARBONIZATION TABLE

### UTILITY PLANNING AND REGULATION




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**Efficiency Vermont  
Statewide Programs**

### EQUITY AND WORKFORCE




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**Environmental Justice  
Law**

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**Efficiency Excellence  
Network**

### CARBON REDUCTION OBLIGATIONS




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**RGGI**

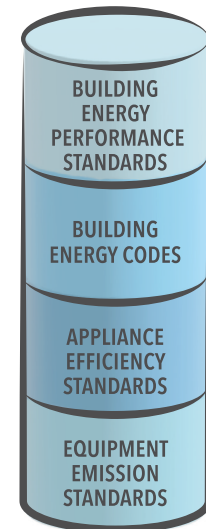
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**Climate Goals**

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**Clean Heat Standard**

### CODES AND STANDARDS




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**2021 IECC**

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**Home Energy Labeling**