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October 5, 2015

VIA ELECTRONIC MAIL AND HAND DELIVERY

Susan M. Hudson, Clerk
Vermont Public Service Board
112 State Street – Drawer 20
Montpelier, VT 05620-2701

Re: *Petition of Burlington Electric Department for Conduct of an Overall Performance Assessment and Reissuance of an Order of Appointment to Provide Service as an Energy Efficiency Utility*
Docket No. ____

Dear Sue:

On behalf of City of Burlington Electric Department (“BED”), enclosed for filing with the Board in the above-referenced matter please find an original and six (6) copies of *Petition of Burlington Electric Department for Commencement of an Overall Performance Assessment and Reissuance of an Order of Appointment to Continue to Provide Services as an Energy Efficiency Utility*. In support of this Petition, BED submits the Prefiled Direct Testimony of Christopher R. Burns and accompanying exhibits.

For reasons described in the Direct testimony of Chris Burns, BED notes that at this time the 2014 Forward Capacity Market savings verification has not been completed. BED wanted the Board to be aware of this at the outset of this proceeding.

Thank you for your assistance. If you should have any questions, please do not hesitate to contact this office.

Very truly yours,

William F. Ellis

WFE/

Enclosures

cc: EEU Electronic Service List
211050-72

STATE OF VERMONT
PUBLIC SERVICE BOARD

Docket No. _____)
)
Petition of Burlington Electric Department)
pursuant to 30 V.S.A. § 209(d)(2), for)
conduct of an Overall Performance)
Assessment and reissuance of)
an Order of Appointment to Provide)
Service as an Energy Efficiency Utility)

PETITION OF BURLINGTON ELECTRIC DEPARTMENT FOR COMMENCEMENT
OF AN OVERALL PERFORMANCE ASSESSMENT AND REISSUANCE OF AN
ORDER OF APPOINTMENT TO CONTINUE TO PROVIDE SERVICES AS AN
ENERGY EFFICIENCY UTILITY

NOW COMES City of Burlington Electric Department (“BED”), by and through its attorneys, McNeil, Leddy & Sheahan, P.C., and pursuant to 30 V.S.A. § 209(d)(2) and Section III of the Process and Administration of an Energy Efficiency Utility Order of Appointment (the “P&A Document”), requests that the Vermont Public Service Board (the “Board”) commence an Overall Performance Assessment (“OPA”) and reissue an Order of Appointment to BED to provide energy efficiency utility (“EEU”) services in its service territory, to take effect January 1, 2017. In support of this request, BED represents as follows:

1. BED is the subject of an Order of Appointment (an “Appointment”) pursuant to 30 V.S.A. § 209(d)(5) issued by the Board on April 19, 2011 to serve as a Vermont EEU within its service territory through December 31, 2021.

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2. BED's responsibilities under its Appointment include acquiring cost-effective demand-side electric efficiency resources as well as cost-effective energy efficiency opportunities associated with Heating-and-Process Fuels.

3. The Overall Performance Assessment under BED's Appointment, as defined in the P&A Document, is to occur in the latter half of 2015 and should review performance in at least the 2009-2011 and 2012-2014 periods.

4. Section III.1 of the P&A Document establishes the terms for the conduct of an OPA and provides:

- A. An Overall Performance Assessment ("OPA") will be conducted by the Board to determine whether probable net benefits would result from additional proceedings considering alternate implementation entities other than the incumbent EEU(s).
- B. An OPA shall occur no less frequently than every six years.
- C. The OPA shall be a public performance review process that includes:
 - (a) Consideration of the performance record of the appointed entity or entities for the past two performance cycles through, at a minimum, the following general evaluation criteria:
 - i. Performance with respect to acquisition of energy and demand savings, and achieved Total Resource Benefit;
 - ii. Performance with respect to broad policy goals;
 - iii. Qualitative performance regarding specific policy initiatives;
 - iv. Performance regarding administrative functions necessary to carry out duties;
 - v. Administrative efficiency;
 - vi. Customer service with respect to energy efficiency services provided to prospective and participant customers;
 - vii. Organizational qualifications of incumbents;
 - viii. Financial Stewardship of ratepayer dollars; and
 - ix. Performance benchmarked in relation to other energy efficiency providers;

- (b) Notice to the public that the Board is conducting an Overall Performance Assessment of an EEU and a solicitation of comments from the public on an EEU's performance; and
 - (c) Consideration of any other market information that may be useful in comparing the performance of the appointed EEU(s) to what might be available from an alternate entity – for example, bids made for comparable resources in the FCM.
- D. The Board shall provide an EEU, the DPS, Vermont Utilities, other stakeholders and any other person or entity an opportunity to submit comments and participate in a technical workshop on the OPA.
- E. At the conclusion of an OPA, the Board shall issue a finding on whether there exists cause to conduct further proceedings to consider alternate implementation entities other than the incumbent EEU(s).
- (a) The Board may use Requests for Qualifications (RFQs), Requests for Proposals (RFPs), or similar mechanisms to more definitively ascertain whether an alternate entity could better meet EEU objectives.
 - (b) If the Board determines a proposal solicitation process is needed, it shall commence a process that would result in a new Appointment, as described in Section III.3 below.
 - (c) If the Board determines a proposal solicitation process is not needed, it shall issue an appointment under the guidelines of Section III.2 of this document.
- F. Failure to meet any minimum performance requirement, as may be determined following a savings verification or other Board process, shall serve as a presumptive basis for initiating an OPA earlier than the next scheduled occurrence.
5. Under Section III.2 of the P&A Document, if the Board determines from the OPA that there is not sufficient cause to solicit proposals from an alternate entity to perform services as an EEU, then it will issue a new Order of Appointment for eleven (11) years that will take effect at the beginning of the calendar year following the Board's Order setting forth the results of the OPA. The new Order of Appointment will supersede all years remaining on the previous Order of Appointment.

6. Should the Board reissue BED's Order of Appointment in calendar year 2016, the new Appointment would be for a term of eleven (11) years taking effect January 1, 2017.

MEMORANDUM IN SUPPORT OF COMMENCEMENT OF
OVERALL PERFORMANCE ASSESSMENT

Vermont EEU's are supervised in a transparent manner designed to promote the efficient and effective delivery of services. Under the Order of Appointment structure, periodic Overall Performance Assessments are conducted to determine whether an Appointment should be reissued or whether there is cause to solicit proposals from alternative energy efficiency providers who might provide greater net benefits to Vermont ratepayers relative to the current EEU provider. In the case of BED, this process will determine whether there is cause to issue a competitive solicitation. If the Board determines from the OPA that there is not sufficient cause to solicit proposals from an alternate entity to perform services as an EEU within BED's service territory, then it will issue a new Order of Appointment.

BED anticipates that the OPA will be a thorough review of its EEU implementation efforts which will demonstrate that there exists no cause to conduct further proceedings to consider alternate implementation entities other than the incumbent EEU provider.

PROPOSED SCHEDULE

In support of this request BED proposes that the Board consider adopting the following schedule for conduct of the Overall Performance Assessment:

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Proposed Schedule	
Monday, October 05, 2015	BED submits petition to commence OPA proceeding, including, testimony, memorandum in support of re-appt, FCM/savings verification reports and other supporting documents
Friday, October 16, 2015	Target date for Board issuance of Order of notice
Week of 10/26/20015	Pre-hearing Conference
	PSB/DPS/BED post notice of OPA process, inviting public comments to be submitted to the PSB/DPS
Friday, October 30, 2015	DPS files additional historical performance data
Friday, November 06, 2015	1st set of discovery due
Friday, November 20, 2015	1st set of discovery responses due from BED
Friday, December 04, 2015	2nd set of discovery due
Friday, December 18, 2015	2nd set of discovery responses due from BED
Friday, January 08, 2016	Public comments due
Friday, January 15, 2016	DPS and Third party Testimony filed
Friday, January 29, 2016	BED Reply Testimony, if necessary
Week of 2/15/2016	Board convenes technical hearing and/or workshop
Friday, March 04, 2016	BED submits PFD
Friday, March 18, 2016	Comments due on PFD
Friday, April 08, 2016	Target date for Order of Appt.

REQUEST FOR RELIEF

WHEREFORE, BED requests that the Board conduct an Overall Performance Assessment of its provision of services as a Vermont energy efficiency utility and

- (1) Commence the performance of an OPA of BED;
- (2) Issue such notice as is required pursuant to 30 V.S.A. § 209(d) and Section III of the P&A Document;
- (3) Make such findings as are required by 30 V.S.A. § 209(d) and Section III of the P&A Document;
- (4) Find that there does not exist sufficient cause to solicit proposals from an alternate entity to perform the EEU services currently provided by BED;
- (5) Issue BED a new Order of Appointment for eleven (11) years to take effect at the beginning of the calendar year following the Board's Order setting forth the results of the OPA; and
- (6) Issue any further relief as the Board deems just and proper.

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DATED at Burlington, Vermont, this 5th day of October 2015.

BURLINGTON ELECTRIC DEPARTMENT

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