

2 **I. Introduction**

3 Since the release of the initial Climate Action Plan (CAP), Vermont has taken further steps to  
4 decarbonize Vermont’s already very clean electricity supply and to enhance grid resilience for  
5 Vermonters. Notably, the passage of H.289 in 2024, which amended Vermont’s Renewable  
6 Energy Standard (RES), was designed to address a core CAP recommendation to move toward  
7 100% carbon-free or renewable electricity supply by mandating a 100% renewable electricity  
8 supply for all regulated utilities by 2035, with some larger utilities mandated to reach that by  
9 2030. The updated RES also includes provisions to increase the supply of in-state renewable  
10 generation along with new regional renewable energy, enhance load growth planning, and  
11 incorporate equity considerations. Importantly, the updated RES also includes a legislatively-  
12 mandated check-in regarding progress, or barriers that may develop, in 2029. This review, in  
13 addition to provision for waivers from the Public Utility Commission when needed, will help  
14 ensure affordability and practicality as these requirements come into effect while regional  
15 renewable energy projects evolve.

16 Recognizing this recent legislative action, the updated Electricity Sector Priority  
17 Recommendations in this CAP update focus on three interrelated and complementary areas:

18 **1. Ensuring a strong, affordable, and resilient electric grid to support deep**  
19 **emissions reductions in the transportation and thermal sectors.**

20 **2. Enabling all Vermonters to electrify their homes, businesses, and transportation**  
21 **affordably and equitably.**

22 **3. Expanding access to and participation in local renewable energy programs,**  
23 **especially for disadvantaged communities.**

24 Additional electricity sector recommendations—such as continuing to ensure utility programs are  
25 provided under Public Utility Commission oversight that affordably support climate action and  
26 resilience for Vermonters; refining the role of energy storage for supporting the grid and

27 providing direct resilience for Vermonters; and using load management and siting guidelines that  
28 help optimize grid—support these priorities and the overarching goal of a decarbonized, resilient,  
29 and equitable electric supply and system in Vermont.

30 It will also be critical for the electric sector to continue to focus on coordinating with local and  
31 statewide efforts to increase resilience. Expanded investments in storm resilience and preparation  
32 will be required as the effects of climate change intensify, and all sectors must leverage lessons  
33 from severe weather events Vermont has already experienced. All stakeholders must work to  
34 strengthen partnerships with between communities, local and state governments, utilities, and  
35 emergency management personnel for storm preparedness, disaster response, and recovery  
36 planning. These topics are covered elsewhere in the CAP [cross-reference].

## 37 **II. Priority Recommendations**

### 38 **1. Keep the Electric System Strong & Affordable to Support Continued Emissions** 39 **Reductions.**

40 **Objective:** Ensure that Vermont’s electric grid remains reliable, cost-effective, and  
41 capable of supporting widespread electrification while maintaining affordability for all  
42 customers.

#### 43 **Key Strategies & Action:**

- 44 • **Grid Modernization & Optimization:**
  - 45 ○ Utilities should use tools such as advanced metering, storage, and distributed  
46 energy resource management systems to improve efficiency and delay costly  
47 infrastructure expansions where feasible.
  - 48 ○ The Public Utility Commission (PUC) should continue to ensure oversight of  
49 utility load management programs, investments, and rate structures to promote  
50 affordability and equity.
  - 51 ○ Utilities should target grid-hardening investments that improve resilience against  
52 extreme weather events, leveraging governmental funding where available.

- 53           • Efficient Renewable Energy Deployment & Siting:
- 54           ○ Policies should continue to support development of in-state renewables, in line
- 55           with the updated RES Tier 2 requirements, which mandate a 20% share of new in-
- 56           state renewable generation, and the PUC and stakeholders should ensure such
- 57           projects balance environmental, community, and affordability considerations,
- 58           including distribution and transmission system optimization.
- 59           ○ Utilities and stakeholders should utilize energy storage, including both short and
- 60           long-duration technologies, where appropriate to enhance grid flexibility,
- 61           affordability, and reliability during peak periods.

62   **2. Enable All Vermonters to Choose Electrification.**

63           **Objective:** Support the transition to electrified transportation, heating, and industrial

64           energy use by Vermonters.

65           **Key Strategies & Actions:**

- 66           • Infrastructure & Incentives for Electrification:
- 67           ○ Utilities should deploy infrastructure upgrades (e.g., service drops,
- 68           transformers, grid hardening) to support statewide resilience and
- 69           electrification goals, through both customer requested projects and utility
- 70           projects.
- 71           ○ Incentives for electrification (through Tier III of RES and other programs)
- 72           should help encourage customer decarbonization, including for low-income
- 73           customers and those in multi-family housing.
- 74           • Innovative load management and rate structures
- 75           ○ Utilities should continue to deploy innovative programs to help cost-
- 76           effectively manage electric vehicles, storage, and other distributed energy
- 77           resources and should offer rates (e.g., time-of-use pricing) where cost-
- 78           effective to encourage efficient energy consumption.

79 **3. Increase Access and Participation in Renewable Energy Programs.**

80 **Objective:** Ensure that all Vermonters, especially low-income, rural, and frontline  
81 communities, benefit equitably from clean energy programs.

82 **Key Strategies & Actions:**

- 83 • Implement as appropriate recommendations from the Act 179 study regarding  
84 evolution of community-level renewable energy programs, especially for low-income  
85 customers.
- 86
- 87 ○ Utilities with PUC support and stakeholder input should enable customer  
88 enrollment programs that expand participation in local renewable energy  
89 projects, including for disadvantaged communities and low-income customer.
  - 90 ○ Seek state and federal funding for community renewable projects for customer  
91 cost containment, using funding avenues that reduce reliance on electric  
92 customer support.

93 **III. Conclusion**

94 Vermont has made significant strides in decarbonizing its electricity sector, as noted elsewhere in  
95 the CAP. By continuing to advance these electricity sector priorities while working to maintain  
96 affordability for customers, Vermont will continue to be a leader in clean, resilient, and  
97 community-driven energy transformation.