

BURLINGTON ELECTRIC DEPARTMENT

2025 Energy Efficiency Utility Annual Report

*(DPS Measurement & Verification results through 2023 are applied
in this Annual Report)*

*(2024 & 2025 DPS Measurement & Verification results are not yet
available)*

May 1, 2026



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1 Introduction

The Burlington Electric Department (BED) is pleased to submit the following 2025 Energy Efficiency Utility (EEU) Annual Report (“Report”) to the Vermont Public Utility Commission (PUC), the Vermont Department of Public Service (DPS) and the Burlington Electric Commission (BEC) summarizing the implementation of energy efficiency programs in the City of Burlington for calendar year 2025. BED remains committed to offering its customers high quality and affordable energy services and a secure, environmentally sound supply of electricity into the future. Energy efficiency continues to play a significant role in achieving this goal.

Energy efficiency has been clearly shown to be Vermont’s least expensive future energy supply resource over time and is every day a greater environmental imperative. BED is owned by all the citizens of Burlington, who have been supportive of BED’s pursuit of additional cost-effective energy efficiency.

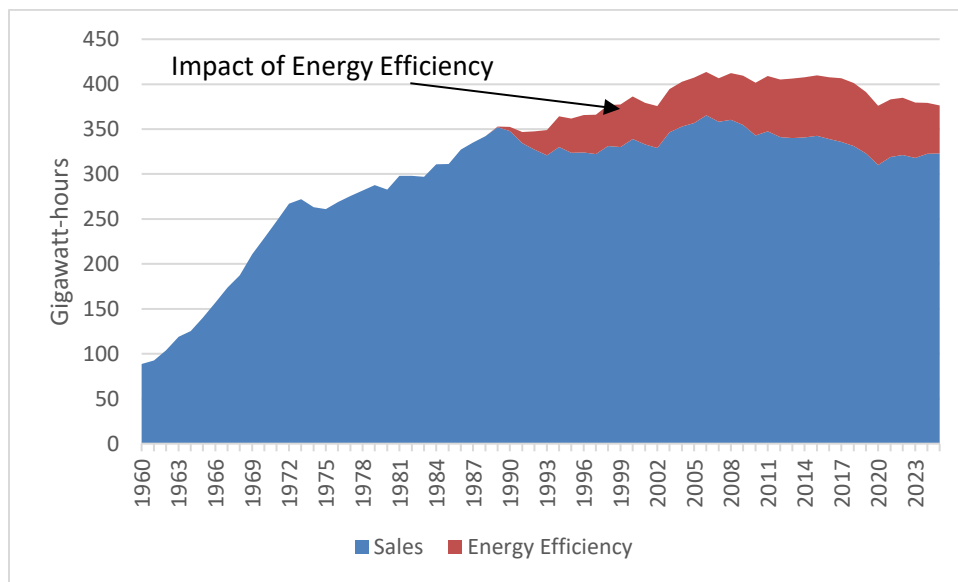
Burlington voters in 1990 approved an 11.3-million-dollar bond to fund energy efficiency programs that supported successful program activities through 2002. Since 2003, BED customers (like all other Vermont electric customers) pay a monthly charge that supports these EEU programs. When these funding sources are considered along with customers’ direct investment, approximately \$96 million has been invested in energy efficiency efforts sponsored by BED over the last 36 years. This is comprised of approximately \$49.6 million spent by BED on all its energy efficiency efforts during that period, combined with another \$46.4 million in matching expenditures by its customers. The willingness to invest their private funds in these investments is a testament to the value that BED customers place on these services. Energy efficiency investments in Burlington are saving our customers approximately \$10 million annually on electricity bills, including avoided energy and transmission and capacity costs.

As Figure 1 below indicates, the overall effect, coupled with state and federal energy codes and standards, has been dramatic. Energy Efficiency has flattened BED’s energy load requirement since the 1990’s. As of year-end 2025, electricity consumption in

Burlington is approximately 8% lower today than in 1989. In other words, we are meeting the needs of a growing local economy with less electricity than the city used over a quarter century ago. The consistent delivery of affordable energy efficiency services has helped to meet the needs of a growing local economy over the last 36 years with less electricity than was used then.

BED also notes the local economic impact from energy efficiency programs. Energy efficiency expenditures are made almost entirely locally, typically in the form of professional services, skilled trades employment, and equipment purchases. Not only is the value of the City’s building and energy-using equipment improved, but locally retained dollars are “multiplied” many times over by subsequent consumer spending. Absent these energy efficiency expenditures, these funds would have gone toward the purchase of electricity and enhanced infrastructure to satisfy increased demands on the City’s electrical system. Energy efficiency is a win-win situation for the city of Burlington through increased local economic activity, and through the avoidance of increasingly costly electricity purchases.

Figure 1: Impact of DSM on Total City Electricity Sales



Program Annual Performance Trends- Annual fluctuations in any energy efficiency program’s performance depend on a variety of human and business cycle dimensions that are hard to quantify and even harder to predict with precision. The decision to

move forward with an energy-efficiency project is ultimately the individual customers. Customers consider a wide variety of factors in their decision-making process, including their perceptions of local and national economic conditions and trends, their availability of funds and competing interests for the use of those funds, fluctuations in their business functions and volumes, and the opinion of off-site consultants and decision makers. Given the relatively small size of BED's system, the loss of only a few new commercial construction projects, for example, can have a dramatic impact on its annual budgets and savings estimates which we have experienced in recent years.

Year-to-year fluctuations in program results reflect the relative unpredictability of energy efficiency program timing and support the notion that *annual* projections are no more than carefully crafted estimates. Overall, the performance of BED's energy efficiency programs continues to meet the expectations laid out in BED's Integrated Resource Plans (IRP) and prior planning documents dating back more than 36 years. Energy efficiency has flattened BED's energy load requirement since the 1990's and BED's consistent investment in energy efficiency will continue to have lasting benefits in the city. Vermont's strategic electrification efforts, in concert with Vermont's broad climate action goals, will change historic electric energy usage pattern in the coming years but it will not change BED's continuing commitment to incorporate cost-effective energy efficiency practices in all programs where possible.

Partnerships- This Report includes coverage of BED's program activities related to the twenty-sixth year of operation of the State's – and the nation's – first EEU. Except for Burlington, Vermont's electric energy efficiency programs are operated by the non-profit service provider “Efficiency Vermont” (EVT). Thanks to a long history of successful program implementation, BED serves as the City's own EEU and delivers these programs within the City of Burlington, continuing to build on its past success in helping Burlington's consumer-owners achieve energy efficient electric use.

BED recognizes that much of its success comes from effective working relationships not only with EVT, but also with its partners VGS (appointed by the PUC as an EEU for their customers), Champlain Valley Weatherization Service (CVWS), 3E Thermal and the

Burlington 2030 District. A cooperative relationship with VGS helps both organizations promote EEU services as about 98% of Burlington's buildings use natural gas for space heating. VGS's willingness to work with BED to promote electrical energy efficiency programs to its natural gas customers has been a noteworthy strength of its joint energy efficiency program offerings. BED and VGS have also created a process to share the weatherization program and incentives costs for an emerging number of customers who are hybrid (aka dual-fuel heaters) i.e., partially natural gas heated, and partially electric heat pump heated.

BED also continues to perform substantial analysis of energy efficiency and demand response impacts on its system as part of the IRP and EEU Demand Resource Plan (DRP) processes. BED updates all its energy efficiency and demand response planning assumptions on a three-year basis. BED will continue to assess all program design assumptions and pursue all strategies to make programs cost-effective, and as easy to participate in, as possible. BED remains responsible for reacting with appropriate program design modifications to the changing market conditions that impact customers' decisions about undertaking energy efficiency upgrades.

2026 Outlook & Challenges -

Regarding the 2026 EEU program outlook, as BED discussed with the PUC and DPS during December 8, 2025, EEU Triennial Plan Update workshop, and as BED described in the November 3, 2025, Update to the 2024-2026 Energy Efficiency Utility Triennial Plan filing (Case No. 25-2718-INV), BED continues to closely monitor existing commercial customer activity as concerns remain with the overall commercial sector heading into 2026, and beyond, as the new project pipeline, both in existing buildings and new construction starts, remains sluggish. Customers, and other stakeholders, cite several primary drivers including downtown public safety issues, large institutions budgetary and staffing issues, high construction costs, high interest rates, and a general economic "unease" in the business and new development sectors.

The lack of planned new construction projects is concerning as thirteen of the last sixteen monthly city Permitting Department Technical Review Committee (TRC) meetings have been canceled due to no new permitting applications for proposed development projects. The TRC meeting is typically the first step that a proposed development takes in the permitting approval process. Typically, it takes three to four years from the date of the initial TRC meeting for a major project to be completed. Again, high construction costs and interest rates appear to be the primary reasons for the significant decrease in planned projects.

Regarding traditional TEPF program activity, with about 98% of residential and commercial buildings using natural gas, the traditional weatherization energy savings potential is extremely low in Burlington. The potential savings per building are also low as many of these buildings are relatively well weatherized, limiting customers potential savings from weatherization. The Zero Energy Modular (ZEM) home program also continues to face significant economic headwinds caused by high construction costs and high mortgage rates in combination with general economic uncertainty for many customers. These market conditions prompted BED to file a 2024-2026 DRP TEPF budget and goals adjustment request with the PUC on January 9, 2026 (26-0052-PET) to reflect current expectations more appropriately regarding participation rates.

BED will continue to use our marketing and outreach services (described in the next section below) to inform customers and contractors that we are here to help with technical assistance, incentives, and on-bill financing services. We will also continue to develop relationships with our colleagues at Burlington's Community Economic Development Office (CEDO), and the Burlington Business Association (BBA). BED will also continue to seek guidance from [Burlington 2030 District](#) members. We will also continue to work closely with VGS to encourage a comprehensive approach to energy savings. BED and VGS staff are committed to bringing appropriate projects to each other's attention and often conduct joint energy audits for greater customer convenience.

1.1 Outreach and Engagement with a Focus on BIPOC and Low- and Moderate-Income Customers (LMI)

As in 2025, BED will continue in 2026 to use multiple communication channels to inform customers and contractors about all our EEU and Tier 3 program efforts including:

Website	Front Porch Forum
Social media	North Avenue News articles
Press conferences	Print ads
E-Newsletter	Photos
Bill messages	Yard signs
Podcasts	Radio ads
Videos (internal & external)	Community event participation

BED continues to recognize that these are both exciting and challenging times in the emerging energy transformation world for many customers, and we remain committed to ensuring that all our customers have access to our EEU and Tier 3 programs and services. To reduce potential barriers to participation, BED remains committed to ensuring that our utility billing and payment processes are clear and easy to navigate, especially for those customers struggling with household budgets. The bullet point examples below describe some of the 2025 efforts that will continue into 2026. BED also recognizes that these efforts (along with other outreach activities) will need to be monitored and improved upon to ensure that all customer segments are being reached.

- BED’s Project & Equity Analyst started in January 2023 and is now fully trained on all BED programs and services. This position will continue to focus on many activities including: advising and coordinating with other BED departments on equitable and accessible processes, creating educational videos and content about energy efficiency and affordability for customers (with language translation), program design and implementation; identifying opportunities to help advance energy efficiency and fossil fuel reduction among BIPOC and other under-represented community members; working collaboratively to improve BED’s customer care processes, energy efficiency and strategic electrification program design and delivery; and designing and developing BED’s community

ambassador program and other community engagement efforts, including regular listening, communication, and outreach with key community stakeholders.

- In 2026, the Equity and Project Analyst will continue with outreach to stakeholder groups and community members, including CVOEO, the Family Room at the Old North End Community Center, Burlington Housing Authority's (BHA) Bobbin Mill, Hillside Terrace and Franklin Square neighborhoods, Northgate Apartments, and will also continue the weekly energy clinic program at the Fletcher Free Public Library, whereby BED is available to answer questions and address customer bill concerns.
- As in 2025, BED plans to table at several regular community events in 2026 including: Lake Monsters baseball games, the downtown and Old North End Farmers Markets, Summervale at the Intervale Community Farm, and the Old North End Community Ramble event.
- Staff are actively preparing for the fifth annual Net Zero Energy Festival, a customer energy information event scheduled for September 2026. We offer activities for customers of all ages that are focused on energy efficiency and reducing fossil fuel use including: renewably-powered food trucks; games and activities for children; Star 92.9's radio personalities Mike & Mary; raffles; E-bike test rides; EV showcase; mobile bike repair unit; bike parking; BED partners providing heat pump, weatherization, solar, and electric lawn care products; carshare and biking partners; BED and VGS energy experts; and more.
- Please visit our website for many examples of our growing [energy education podcast](#) series. This series helps to convey BED's broad reach into the Burlington community and the partnerships that we continue to cultivate with community members.

The remaining pages of this Report provide details on BED's delivery of the following EEU services in 2025:

- **Development & Support Services (DSS)**
- **Business New Construction**
- **Business Existing Facilities**
- **Residential New Construction**
- **Residential Existing Buildings**
- **Efficient Retail Products**
- **Thermal Energy and Process Fuels (TEPF- Residential and Commercial)**
- **Act 44 2024-2026 pilot programs**

Table 1: All Business & Residential DSM History

Participants	Costs						MWh		kW		
	Admin	Services	Incentive	Evaluation	Participant	Total	Annual	Lifetime	Winter	Summer	
1991	391	\$356,563	\$0	\$273,437	\$6,015	\$1,091,190	\$1,727,205	3,703	52,103	1,224	0
1992	330	\$334,066	\$0	\$264,615	\$14,711	\$1,104,050	\$1,717,442	3,595	72,723	1,385	0
1993	1,343	\$344,326	\$0	\$501,991	\$107,646	\$2,052,045	\$3,006,008	9,198	133,079	2,634	0
1994	734	\$367,600	\$0	\$197,054	\$46,172	\$927,802	\$1,538,628	3,304	32,558	991	0
1995	827	\$255,770	\$0	\$149,865	\$16,666	\$1,584,811	\$2,007,112	6,764	31,402	1,650	0
1996	774	\$215,329	\$0	\$118,006	\$44,318	\$500,363	\$878,016	2,285	38,654	0	358
1997	735	\$143,184	\$0	\$122,189	\$6,011	\$848,380	\$1,119,764	2,665	39,091	0	714
1998	692	\$204,588	\$0	\$107,140	\$353	\$731,707	\$1,043,788	3,202	43,971	0	822
1999	675	\$214,782	\$0	\$101,224	\$1,529	\$331,985	\$649,520	1,300	14,174	0	358
2000	1,364	\$334,762	\$97,067	\$148,162	\$0	\$761,673	\$1,341,664	3,130	37,211	443	387
2001	1,410	\$425,123	\$129,955	\$208,178	\$59,637	\$609,115	\$1,432,008	3,094	41,258	398	341
2002	1,824	\$469,263	\$192,143	\$407,057	\$2,352	\$1,178,695	\$2,249,510	4,438	63,159	444	520
2003	1,897	\$305,283	\$365,691	\$236,762	\$19,006	\$538,589	\$1,465,331	3,346	56,332	346	361
2004	1,484	\$253,037	\$302,017	\$271,856	\$19,067	\$638,819	\$1,484,796	3,500	46,856	625	557
2005	1,977	\$242,385	\$351,009	\$260,806	\$5,904	\$970,437	\$1,830,541	4,948	69,570	630	630
2006	2,188	\$221,862	\$352,886	\$381,706	\$42,057	\$702,575	\$1,701,086	6,254	83,951	813	891
2007	2,045	\$255,856	\$375,480	\$441,352	\$52,025	\$1,353,651	\$2,478,364	9,679	128,022	1,206	1,158
2008	6,392	\$447,867	\$412,037	\$578,245	\$65,159	\$1,187,671	\$2,690,979	7,299	72,402	1,178	889
2009	1,181	\$317,257	\$371,233	\$452,901	\$67,667	\$1,959,977	\$3,169,035	5,679	64,416	765	811
2010	1,638	\$378,153	\$339,569	\$1,102,597	\$54,283	\$781,528	\$2,656,130	6,492	75,954	1,223	1,148
2011	1,027	\$310,536	\$381,043	\$1,372,682	\$69,742	\$1,020,842	\$3,154,845	7,191	68,153	1,333	1,000
2012	1,244	\$296,104	\$425,616	\$1,035,051	\$63,671	\$1,968,113	\$3,788,555	6,428	75,050	1,118	957
2013	1,229	\$289,056	\$472,270	\$1,228,561	\$77,562	\$1,793,534	\$3,860,982	7,007	82,273	1,267	910
2014	988	\$380,161	\$577,196	\$1,246,484	\$63,671	\$3,277,600	\$5,545,111	5,399	64,811	959	785
2015	1,021	\$329,612	\$570,899	\$1,291,414	\$67,289	\$2,025,393	\$4,284,606	6,025	80,842	849	628
2016	1,427	\$383,409	\$511,696	\$1,367,951	\$69,644	\$2,292,047	\$4,624,747	6,102	72,043	745	529
2017	1,559	\$529,382	\$561,806	\$1,307,062	\$69,646	\$2,477,247	\$4,945,143	7,022	88,436	899	709
2018	1,555	\$566,467	\$562,927	\$1,373,375	\$42,397	\$1,527,526	\$4,072,691	4,896	63,890	886	607
2019	1,489	\$545,939	\$544,825	\$797,194	\$54,414	\$684,504	\$2,626,876	3,551	41,163	589	446
2020	1,228	\$611,080	\$464,690	\$1,738,158	\$106,259	\$1,062,838	\$3,983,025	3,792	57,343	613	492
2021	1,305	\$506,856	\$374,545	\$1,329,429	\$61,980	\$256,251	\$2,529,061	1,806	26,949	278	289
2022	1,673	\$619,995	\$352,278	\$1,220,793	\$42,611	\$2,289,941	\$4,525,618	3,379	54,625	655	475
2023	1,280	\$728,787	\$323,036	\$1,134,251	\$18,672	\$2,509,840	\$4,714,585	2,992	46,235	474	433
2024	646	\$637,215	\$321,489	\$1,134,706	\$31,048	\$314,208	\$2,438,666	1,249	21,496	200	148
2025	1,100	\$530,137	\$309,773	\$787,337	\$14,098	\$3,072,509	\$4,713,853	1,730	32,928	134	213
Total	48,672	\$13,351,790	\$10,043,174	\$24,689,591	\$1,483,283	\$46,427,456	\$95,995,293	162,444	2,073,123	26,954	18,567

*All history tables in this report reflect adjustments in MWh savings claims from the DPS savings verification process.

Table 2: All Business DSM History

	Participants	Costs				MWh		kW			
		Admin	Services	Incentive	Evaluation	Participant	Total	Annual	Lifetime	Winter	Summer
1991	3	\$130,784	\$0	\$1,849	\$0	\$2,157	\$134,790	31	93	30	0
1992	16	\$149,138	\$0	\$119,535	\$4,063	\$454,104	\$726,840	246	24,388	227	0
1993	164	\$162,366	\$0	\$305,473	\$35,559	\$1,308,524	\$1,811,922	5,587	72,218	1,421	0
1994	104	\$238,153	\$0	\$163,733	\$21,690	\$630,639	\$1,054,215	2,242	14,970	626	0
1995	163	\$199,835	\$0	\$142,342	\$9,480	\$1,368,954	\$1,720,611	6,137	21,386	1,615	0
1996	151	\$151,409	\$0	\$50,423	\$28,498	\$355,217	\$585,547	1,233	16,150	0	334
1997	160	\$78,321	\$0	\$96,959	\$5,612	\$757,774	\$938,666	2,300	33,565	0	669
1998	164	\$141,258	\$0	\$65,048	\$50	\$615,144	\$821,500	2,767	37,930	0	734
1999	162	\$150,772	\$0	\$71,501	\$0	\$270,056	\$492,329	1,051	10,895	0	338
2000	145	\$176,552	\$56,070	\$80,108	\$0	\$613,597	\$926,327	2,438	28,712	309	334
2001	127	\$255,082	\$99,310	\$84,729	\$43,248	\$384,763	\$867,132	2,064	26,581	240	240
2002	113	\$284,826	\$112,447	\$238,866	\$252	\$912,280	\$1,548,671	2,888	43,183	224	392
2003	144	\$154,937	\$243,386	\$148,306	\$9,503	\$254,905	\$811,037	2,193	32,975	122	162
2004	142	\$115,796	\$192,327	\$140,234	\$3,928	\$507,253	\$959,538	2,505	35,419	335	394
2005	133	\$133,542	\$208,860	\$202,143	\$0	\$814,001	\$1,358,546	3,751	57,787	342	397
2006	150	\$112,917	\$240,425	\$261,310	\$24,533	\$575,467	\$1,214,652	5,094	73,084	503	652
2007	151	\$125,761	\$244,030	\$280,213	\$33,320	\$977,132	\$1,660,456	6,530	104,174	482	763
2008	115	\$113,641	\$250,666	\$304,252	\$43,576	\$904,640	\$1,616,775	3,264	48,407	386	386
2009	105	\$173,789	\$224,900	\$305,352	\$44,608	\$1,743,182	\$2,491,831	3,781	51,336	336	555
2010	228	\$168,765	\$249,094	\$849,801	\$35,630	\$458,549	\$1,761,839	3,489	52,358	511	673
2011	220	\$162,357	\$277,034	\$972,032	\$47,704	\$335,095	\$1,794,222	2,787	37,950	421	521
2012	323	\$153,822	\$307,898	\$721,047	\$49,516	\$1,667,503	\$2,899,786	4,215	54,786	494	680
2013	355	\$166,097	\$384,773	\$952,314	\$64,371	\$1,320,521	\$2,888,076	4,440	55,668	533	537
2014	365	\$193,375	\$434,315	\$846,835	\$47,753	\$3,006,372	\$4,528,650	3,559	43,676	526	524
2015	382	\$159,179	\$430,188	\$746,424	\$50,467	\$1,709,721	\$3,095,979	3,691	50,912	332	382
2016	512	\$166,511	\$406,350	\$893,142	\$51,990	\$1,659,634	\$3,177,627	4,074	39,361	361	397
2017	508	\$232,740	\$463,676	\$907,098	\$50,198	\$2,183,380	\$3,837,092	4,645	53,336	420	544
2018	436	\$263,751	\$478,835	\$951,062	\$31,671	\$1,021,748	\$2,747,066	2,716	30,459	433	464
2019	468	\$292,555	\$382,503	\$575,846	\$40,121	\$445,251	\$1,736,276	2,192	23,130	270	307
2020	448	\$361,598	\$317,005	\$1,044,544	\$74,576	\$937,736	\$2,735,459	2,642	39,210	383	411
2021	383	\$282,828	\$260,931	\$872,954	\$46,485	\$124,042	\$1,587,239	1,405	21,048	193	217
2022	439	\$358,306	\$240,626	\$967,844	\$31,958	\$1,727,644	\$3,326,378	2,909	47,905	536	381
2023	339	\$404,898	\$240,016	\$769,351	\$14,004	\$2,026,013	\$3,454,282	2,203	36,758	308	342
2024	76	\$352,067	\$242,086	\$531,415	\$25,420	\$429,516	\$1,580,504	738	12,767	116	60
2025	123	\$334,325	\$257,717	\$494,532	\$11,645	\$2,898,795	\$3,997,014	1,441	28,719	81	163
Total	8,017	\$7,102,053	\$7,245,468	\$16,158,616	\$981,429	\$35,401,309	\$66,888,874	103,248	1,361,296	13,116	12,953

Table 3: All Residential DSM History

	Participants	Costs						MWh		kW	
		Admin	Services	Incentive	Evaluation	Participant	Total	Annual	Lifetime	Winter	Summer
1991	388	\$225,779	\$0	\$271,588	\$6,015	\$1,089,033	\$1,592,415	3,672	52,010	1,194	0
1992	314	\$184,928	\$0	\$145,080	\$10,648	\$649,946	\$990,602	3,349	48,335	1,158	0
1993	1,179	\$181,960	\$0	\$196,518	\$72,087	\$743,521	\$1,194,086	3,611	60,861	1,213	0
1994	630	\$129,447	\$0	\$33,321	\$24,482	\$297,163	\$484,413	1,062	17,588	365	0
1995	664	\$55,935	\$0	\$7,523	\$7,186	\$215,857	\$286,501	627	10,016	35	0
1996	623	\$63,920	\$0	\$67,583	\$15,820	\$145,146	\$292,469	1,052	22,504	0	24
1997	575	\$64,863	\$0	\$25,230	\$399	\$90,606	\$181,098	365	5,526	0	45
1998	528	\$63,330	\$0	\$42,092	\$303	\$116,563	\$222,288	435	6,041	0	88
1999	513	\$64,010	\$0	\$29,723	\$1,529	\$61,929	\$157,191	249	3,279	0	20
2000	1,219	\$158,210	\$40,997	\$68,054	\$0	\$148,076	\$415,337	692	8,499	134	53
2001	1,283	\$170,041	\$30,645	\$123,449	\$16,389	\$224,352	\$564,876	1,030	14,677	158	101
2002	1,711	\$184,437	\$79,696	\$168,191	\$2,100	\$266,415	\$700,839	1,550	19,976	220	128
2003	1,753	\$150,346	\$122,305	\$88,456	\$9,503	\$283,684	\$654,294	1,153	23,357	224	199
2004	1,342	\$137,241	\$109,690	\$131,622	\$15,139	\$131,566	\$525,258	995	11,437	290	163
2005	1,844	\$108,843	\$142,149	\$58,663	\$5,904	\$156,436	\$471,995	1,197	11,783	288	233
2006	2,038	\$108,945	\$112,461	\$120,396	\$17,524	\$127,108	\$486,434	1,160	10,867	310	239
2007	1,894	\$130,095	\$131,450	\$161,139	\$18,705	\$376,519	\$817,908	3,149	23,848	724	395
2008	6,277	\$334,226	\$161,371	\$273,993	\$21,583	\$283,031	\$1,074,204	4,035	23,995	792	503
2009	1,076	\$143,468	\$146,333	\$147,549	\$23,059	\$216,795	\$677,204	1,898	13,080	429	256
2010	1,410	\$209,388	\$90,475	\$252,796	\$18,653	\$322,979	\$894,291	3,003	23,596	712	475
2011	807	\$148,179	\$104,009	\$400,650	\$22,038	\$685,747	\$1,360,623	4,404	30,203	912	479
2012	921	\$142,282	\$117,718	\$314,004	\$14,155	\$300,610	\$888,769	2,213	20,264	624	277
2013	874	\$122,959	\$87,496	\$276,247	\$13,191	\$473,013	\$972,906	2,567	26,605	734	373
2014	623	\$186,786	\$142,880	\$399,649	\$15,918	\$271,228	\$1,016,461	1,840	21,135	433	261
2015	639	\$170,433	\$140,711	\$544,989	\$16,822	\$315,672	\$1,188,627	2,334	29,930	517	246
2016	915	\$216,898	\$105,346	\$474,809	\$17,654	\$632,413	\$1,447,121	2,028	32,682	384	132
2017	1,051	\$296,642	\$98,130	\$399,964	\$19,448	\$293,867	\$1,108,051	2,377	35,100	479	165
2018	1,119	\$302,715	\$84,092	\$422,314	\$10,726	\$505,778	\$1,325,625	2,180	33,431	453	143
2019	1,021	\$253,384	\$162,322	\$221,349	\$14,293	\$239,253	\$890,601	1,359	18,033	319	139
2020	780	\$249,481	\$147,685	\$693,614	\$31,683	\$125,102	\$1,247,566	1,150	18,133	230	81
2021	922	\$224,028	\$113,614	\$456,475	\$15,495	\$132,209	\$941,822	401	5,901	85	72
2022	1,234	\$261,689	\$111,652	\$252,949	\$10,653	\$562,296	\$1,199,240	470	6,720	119	94
2023	941	\$323,889	\$83,019	\$364,900	\$4,668	\$483,827	\$1,260,303	789	9,477	166	91
2024	570	\$285,148	\$79,403	\$603,291	\$5,628	-\$115,308	\$858,162	511	8,729	84	88
2025	977	\$195,812	\$52,056	\$292,805	\$2,453	\$173,714	\$716,839	289	4,209	53	50
Total	40,655	\$6,249,737	\$2,797,707	\$8,530,975	\$501,853	\$11,026,147	\$29,106,419	59,196	711,827	13,838	5,614

2 Overview of EEU Services Results for 2025

As described in more detail in each program below, 2025 proved to be a challenging year for achieving savings goals in most programs. Overall, BED achieved 43% of the total annual MWh goal, 35% of the summer coincident-peak KW goal and 22% of the winter coincident-peak KW goal. BED projected 4,030 annualized MWh savings and achieved 1,730 annualized MWh which will result in 32,928 MWh of savings over the useful life of the installed measures (2025 measures have a weighted average lifetime of about 19.2 years). BED projected 613 coincident-peak summer KW savings and achieved 214 KW. BED projected 620 coincident-peak winter KW savings and achieved 134 KW.

BED's electric resource acquisition (RA) budget for 2025 was \$2,263,101 and \$1,627,246 was expended, about 28% below the PUC approved RA budget. BED's cost for, first year, saved energy was higher than projections. BED estimated it would spend about \$561 per annualized MWh saved and instead spent \$972 per annualized MWh. This was driven by much lower than projected savings in the commercial sector, which historically delivers low first year energy yield rates. In 2025, the residential programs saw relatively good customer activity but the electric savings from residential measures are relatively low so, alone, they do not contribute enough towards replacing lost commercial sector savings and reducing the overall portfolio yield rate.

BED's general administrative costs as a percentage of total BED RA program costs came in at 17%. Other non-program incentive costs were about 16% of the 2025 RA budget, and 67% of the RA budget was spent on direct technical assistance and cash incentives to customers.

Table 4: EEU Business & Residential - Total Resource Benefits

Avoided Costs of Electricity	\$1,951,361
Fossil Fuel Savings	\$33,780
Water Savings	\$86,345
TRB Total	\$2,071,486

	Annual	Lifetime
Meter MWh	1,871	34,506
Generation MWh	1,730	32,928
Meter Demand kW	900	15,325
Generation Peak Summer kW	214	3,969
Generation Peak Winter kW	134	1,996
Water Savings	\$512	\$7,162
Fuel Savings	(\$11)	(\$155)
O+M Savings	(\$408)	(\$7,776)

Table 5: EEU Business & Residential - Summary

	<u>Prior Year</u> 2024	<u>Current</u> 2025	<u>Program to</u> <u>Date</u>
Program Costs			
<u>Incentive and Technical Assistance</u>			
<u>Incentive</u>			
Incentives to Participants (RA)	\$ 1,167,419	\$ 787,336	\$ 6,965,698
Incentives to Trade Allies (RA)	\$ -	\$ -	\$ -
<u>Technical Assistance</u>			
Services to Participants (RA)	\$ 387,323	\$ 379,927	\$ 2,666,761
Services to Trade Allies (RA)	\$ 1,512	\$ 893	\$ 12,933
Energy Code and Standards Support (DSS)	\$ 2,548	\$ 2,639	\$ 9,823
Building Energy Labeling and Benchmarking (DSS)	\$ -	\$ -	\$ -
Better Buildings by Design (DSS)	\$ 3,711	\$ 7,730	\$ 25,907
<i>Incentive & Tech Asst Sub-Total (1)</i>	\$ 1,562,512	\$ 1,178,526	\$ 9,681,123
<u>Non-Incentive Program Costs</u>			
Programs and Implementation (RA)	\$ 295,529	\$ 240,562	\$ 1,379,663
Strategy and Planning (RA)	\$ 40,279	\$ 36,681	\$ 330,417
Marketing Program (RA)	\$ -	\$ 457	\$ 10,620
Customer Support (DSS)	\$ -	\$ -	\$ -
General Marketing & Public Education (DSS)	\$ 14,227	\$ 16,687	\$ 98,685
Energy Literacy (DSS)	\$ 15,326	\$ 11,429	\$ 69,471
Applied R&D (DSS)	\$ 2,711	\$ 9,842	\$ 20,644
Support Services (RA)	\$ 43,985	\$ 42,534	\$ 338,532
Quality Assurance	\$ 25,845	\$ 23,859	\$ 195,473
<i>Non-Incentive Program Sub-Total (2)</i>	\$ 437,902	\$ 382,053	\$ 2,443,507
<i>Total Program Costs</i>	\$ 2,000,415	\$ 1,560,578	\$ 12,124,630
Administrative			
Sr. Management, Budget, Financial Oversight (RA)	\$ 64,257	\$ 74,909	\$ 463,589
Policy & Public Affairs (DSS)	\$ 2,388	\$ 520	\$ 35,054
Planning & Reporting (DSS)	\$ 100,856	\$ 93,963	\$ 585,636
Administration & Regulatory (DSS)	\$ -	\$ -	\$ -
IT (DSS)	\$ 12,743	\$ 17,282	\$ 101,254
Evaluation (DSS)	\$ 31,744	\$ 14,179	\$ 111,428
<i>Direct and Indirect Overhead</i>	\$ 31,199	\$ 31,534	\$ 232,861
<i>Administrative Sub-Total (3)</i>	\$ 243,186	\$ 232,387	\$ 1,529,820
Earned Compensation			
Base Compensation	\$ -	\$ -	
Performance Compensation	\$ -	\$ -	
<i>Earned Compensation Sub-Total (4)</i>	\$ -	\$ -	
Total Program and Administrative	\$ 2,243,601	\$ 1,792,966	\$ 11,861,485
Overall Total	\$ 2,243,601	\$ 1,792,966	\$ 11,861,485
--- Benefits ---			
Annual MWh	1,249	1,730	166,588
Lifetime MWh	21,496	32,928	2,142,331
Winter Peak kW	200	134	27,658
Summer Peak kW	148	213	19,760
MWh / Participant	1.9	1.6	4.1
Weighted Lifetime	17.2	19.0	12.9

Table 6: EEU Business & Residential - End Use Summary

End Use	Participants	----- MWh -----			----- kW -----		MMBtu	CCF
		Gross	Net	Lifetime	Winter	Summer		
Air Conditioning Efficiency	74	826.37	877.55	20,226.95	0.45	108.89	0.00	0.00
Cooking and Laundry	61	67.22	58.62	734.97	7.84	6.68	-0.96	511.60
Electronics	1	0.04	0.04	0.19	0.00	0.00	0.00	0.00
Hot Water Efficiency	74	52.07	61.69	739.58	9.62	4.86	0.00	0.00
Light Bulb/Lamp	16	297.58	315.33	4,730.00	35.77	35.67	0.00	0.00
Lighting	13	5.15	5.36	35.38	1.11	0.39	0.00	0.00
Lighting Hardwired Fixture	7	77.18	81.98	1,229.77	10.75	8.99	-9.70	0.00
Motors	65	12.60	13.31	266.26	2.50	0.00	0.00	0.00
Office Equipment/Electronics	1	0.34	0.36	2.15	0.04	0.03	0.00	0.00
Other	4	25.65	27.22	408.32	7.58	2.29	0.00	0.00
Refrigeration	53	93.64	90.80	1,298.68	13.37	11.47	0.00	0.00
Space Heat Efficiency	255	394.35	194.62	3,191.89	44.26	34.92	0.00	0.00
Thermal Shell	10	18.13	1.73	43.20	0.58	0.15	0.00	0.00
Ventilation	19	1.08	1.08	20.44	0.13	0.12	0.00	0.00

2.1 Development and Support Services

The following section highlights BED's Development and Support Services (DSS) activities for 2025. DSS activities are those that do not directly achieve immediate energy savings but are essential to the operation and administration of BED's EEU services and to the long-term success of future efficiency savings and innovation. The DSS categories were developed collaboratively with the DPS as part of the EEU Demand Resource Plan Process and approved by the PUC.

BED's DSS activities include education, applied research, and development, planning and reporting, evaluation, information technology, and general administration & regulatory affairs.

Education, Training & Engagement- This category captures BED's work throughout the year on general energy efficiency education that is geared toward building awareness that leads customers to take action to reduce energy use through efficiency or conservation. BED provides education to – builders and contractors, real estate professionals, K-12 students and teachers, college and universities and the public.

Applied Research and Development- This work includes BED's collaboration with EVT, VGS and other stakeholders on applied research and development activities designed to optimize the creation of cost-effective solutions to meeting BED's long-term resource acquisition goals.

Planning and Reporting- To help keep the Vermont PUC, the DPS, and other stakeholders, informed about BED's EEU activities, BED submits quarterly and annual reports, and an annual plan to the PUC and DPS.

Evaluation- Determining the accuracy of BED's savings claims, evaluation is a critical aspect of BED's responsibilities as an EEU to Burlington rate payers. There are several evaluation activities that BED participates in to help BED continually improve savings quantification methods.

BED notes relatively high spending in this category in 2024 which was driven by activity related to the DPS's 2022 and 2023 M&V work. DPS 2022 M&V was delayed in starting so 2024 included two years of evaluation activity.

Information Technology (IT) - BED's IT initiative consists of continuing the support of and improvement to the EEU database system for the collection and processing of project data and program information critical to tracking, reporting, and planning functions. There is a regular need to alter measure savings characterization, existing tools or add new tools and functionality to the system which helps us to better understand and respond to changes in the Burlington marketplace.

General Administration & Regulatory Affairs- This DSS category captures BED's annual activities and costs for the overall management of EEU programs not specific to the individual programs and includes general staff meetings, coordination of program implementation across all program functions and managing and monitoring overall performance and spending. This activity also captures BED's participation in discussions about energy efficiency and EEU related issues that typically occur throughout the year with regulators and other stakeholders.

Table 7: Electric Development and Support Services Activity

Electric DSS Activity	2024 Spending	2025 Spending	2024-2026 Budget	% 2024-2026
				Budget (YTD)
Education, Training & Engagement	\$ 32,324	\$ 37,105	\$ 110,500	63%
Applied Research & Development	\$ 2,711	\$ 9,842	\$ 20,700	61%
Planning & Reporting	\$ 22,024	\$ 27,213	\$ 143,130	34%
Evaluation	\$ 31,048	\$ 14,098	\$ 58,000	78%
Information Technology	\$ 11,800	\$ 17,119	\$ 51,900	56%
Administration & Regulatory Affairs	\$ 45,396	\$ 55,795	\$ 161,770	63%
Total	\$ 145,303	\$ 161,172	\$ 546,000	56%

2.2 Business Services Overview

This section of the report contains information on BED's Business EEU Services: Business New Construction (BNC) and Business Existing Facilities (BEF) (Market Opportunities & Retrofit).

Overall, 2025 savings result in business services were challenged as program activity in both BNC and BEF were not as strong as projected as was the case in 2024. BED projected 3,308 megawatt-hour (MWh) overall savings while achieving actual annual energy savings of 1,441 MWh, about 44% of the goal. BED's cost to deliver EEU business services in 2025 was \$1,086,574 below the budgeted amount of \$1,584,171 by about 30%.

As mentioned in the Introduction, it is often difficult to forecast savings and expenses in the Business sector in Burlington. This is due to the potential for completion of a few large, unexpected projects by one or two customers, dramatically exceeding projections, and budgets. On the other hand, savings goals may just unpredictably be missed due to delays or cancellations of significant planned projects which we have seen more of in recent years. For example, the new Burlington High School building (with a 100% heat pump HVAC system) was scheduled to be completed in 2025 but will now be completed in the summer of 2026.

Also, BED continues to closely monitor existing commercial customer activity as the business community continues to face several challenges. We continue to hear of general economic market conditions unease, staffing shortages, staff safety, customer safety, and retail theft issues that can, understandably, distract business owners from making energy efficiency improvements.

The commercial sector represents about 80% of BED's total savings goals with the Business Existing Facilities (BEF) program representing about 55% of the total three-year savings target and 45% of the total budget. BEF participation levels need to be robust for BED to meet savings and budget targets.

BED will continue to use our marketing and outreach services to inform customers and contractors that we are here to help with technical assistance, incentives, and on-bill financing services. We will also continue to leverage relationships with our colleagues at CEDO and continue to work closely with VGS (the natural gas utility serving about 98% of Burlington's commercial customers) to encourage a comprehensive approach to energy savings. BED and VGS staff are committed to bringing appropriate projects to each other's attention and often conduct joint energy audits for greater customer convenience.

Table 8: EEU Business - Total Resource Benefits

Avoided Costs of Electricity	\$1,596,555
Fossil Fuel Savings	\$2,779
Water Savings	\$0
TRB Total	\$1,599,334

	Annual	Lifetime
Meter MWh	1,365	27,148
Generation MWh	1,441	28,719
Meter Demand kW	423	8,536
Generation Peak Summer kW	164	3,238
Generation Peak Winter kW	82	1,219
Water Savings	\$0	\$0
Fuel Savings	(\$10)	(\$146)
O+M Savings	\$72	\$1,080

Table 9: EEU Business - Summary

	<u>Prior Year</u> 2024	<u>Current</u> 2025	<u>Program to</u> <u>Date</u>
Program Costs			
<u>Incentive and Technical Assistance</u>			
<u>Incentive</u>			
Incentives to Participants (RA)	\$ 570,877	\$ 494,532	\$ 4,414,480
Incentives to Trade Allies (RA)	\$ -	\$ -	\$ -
<u>Technical Assistance</u>			
Services to Participants (RA)	\$ 274,256	\$ 307,670	\$ 1,846,805
Services to Trade Allies (RA)	\$ -	\$ -	\$ -
Energy Code and Standards Support (DSS)	\$ -	\$ -	\$ -
Building Energy Labeling and Benchmarking (DSS)	\$ -	\$ -	\$ -
Better Buildings by Design (DSS)	\$ -	\$ -	\$ -
<i>Incentive & Tech Asst Sub-Total (1)</i>	\$ 845,133	\$ 802,202	\$ 6,261,285
<u>Non-Incentive Program Costs</u>			
Programs and Implementation (RA)	\$ 156,033	\$ 141,742	\$ 773,357
Strategy and Planning (RA)	\$ 22,882	\$ 26,168	\$ 179,313
Marketing Program (RA)	\$ -	\$ 101	\$ 5,072
Customer Support (DSS)	\$ -	\$ -	\$ -
General Marketing & Public Education (DSS)	\$ -	\$ -	\$ -
Energy Literacy (DSS)	\$ -	\$ -	\$ -
Applied R&D (DSS)	\$ -	\$ -	\$ -
Support Services (RA)	\$ 28,100	\$ 32,913	\$ 222,861
Quality Assurance	\$ 15,255	\$ 17,445	\$ 118,360
<i>Non-Incentive Program Sub-Total (2)</i>	\$ 222,269	\$ 218,369	\$ 1,298,962
<i>Total Program Costs</i>	\$ 1,067,402	\$ 1,020,571	\$ 7,560,247
Administrative			
Sr. Management, Budget, Financial Oversight (RA)	\$ 11,441	\$ 13,084	\$ 89,239
Policy & Public Affairs (DSS)	\$ -	\$ -	\$ -
Planning & Reporting (DSS)	\$ 29,990	\$ 31,984	\$ 131,302
Administration & Regulatory (DSS)	\$ -	\$ -	\$ -
IT (DSS)	\$ -	\$ -	\$ -
Evaluation (DSS)	\$ -	\$ -	\$ -
<i>Direct and Indirect Overhead</i>	\$ 18,306	\$ 20,934	\$ 144,147
<i>Administrative Sub-Total (3)</i>	\$ 59,737	\$ 66,004	\$ 364,690
Earned Compensation			
Base Compensation	\$ -	\$ -	\$ -
Performance Compensation	\$ -	\$ -	\$ -
<i>Earned Compensation Sub-Total (4)</i>	\$ -	\$ -	\$ -
Total Program and Administrative	\$ 1,127,139	\$ 1,086,574	\$ 7,924,936
Overall Total	\$ 1,127,139	\$ 1,086,574	\$ 7,924,936
--- Benefits ---			
Annual MWh	738	1,441	107,255
Lifetime MWh	12,767	28,719	1,427,082
Winter Peak kW	116	81	13,811
Summer Peak kW	60	163	14,045
MWh / Participant	9.7	11.7	16.9
Weighted Lifetime	17.3	19.9	13.3

Table 10: EEU Business - End-Use Summary

----- MWh -----
 ----- kW -----

End Use	Participants	Gross	Net	Lifetime	Winter	Summer	MMBtu	CCF
Air Conditioning Efficiency	8	809.04	861.64	20,050.19	0.00	104.86	0.00	0.00
Hot Water Efficiency	6	2.14	2.49	29.92	0.39	0.20	0.00	0.00
Light Bulb/Lamp	16	297.58	315.33	4,730.00	35.77	35.67	0.00	0.00
Lighting	2	1.75	1.87	28.10	0.06	0.10	0.00	0.00
Lighting Hardwired Fixture	7	77.18	81.98	1,229.77	10.75	8.99	-9.70	0.00
Motors	2	0.09	0.09	1.85	0.02	0.00	0.00	0.00
Other	4	25.65	27.22	408.32	7.58	2.29	0.00	0.00
Refrigeration	24	74.87	78.74	1,093.63	12.25	10.06	0.00	0.00
Space Heat Efficiency	36	77.06	71.76	1,146.80	14.99	1.69	0.00	0.00

2.2.1 Business New Construction

Program Description

This service helps commercial builders and developers incorporate the most energy efficient products and systems possible when building or renovating. It is designed to help customers exceed Vermont's Commercial Building Energy Code (CBES). By working directly and early in the process with designers and owners, BED assists in the choice of energy efficient systems and construction practices that meet business and energy needs.

The program offers financial incentives for the installation of cost-effective efficiency measures. Eligible participants gain technical assistance and financial incentives to help with efficient building design and equipment costs. BED's Business New Construction service (BNC) addresses all energy consuming equipment, components, or practices, including thermal envelope, motors, lighting, heating, ventilation, air-conditioning (HVAC) and building energy control packages.

BED maximizes the adoption of energy efficient systems and techniques through proactive outreach and recruitment. As both an electric distribution utility and a municipal department with a role in the City's design review process, BED is in a unique position to identify new construction and major renovation before significant design efforts begin. BED coordinates this effort with other city agencies including the city's Planning Department and its Department of Permitting & Inspections.

After several years of offering a prescriptive based program, BED, starting in 2014, began to offer an "energy model/tiered incentive" based option for larger projects. The primary motivation was to gain deeper savings per project across more end uses. Historically, BED had been successful with lighting but not as strong with thermal envelope, integrated design approaches, and HVAC controls. With baselines increasing due to CBES energy code revisions, and with electric heat pump heating and cooling technology options increasing, BED embarked on a new approach.

BED's tiered incentive approach pays 50% of the incentive at project completion and then the remaining incentive after about one year of comparing actual energy usage data to the building energy model. To best estimate the energy efficiency potential of larger buildings, robust energy modeling software is used to compare the energy performance of an energy code compliant design to a model of the final "more efficient" building design. The original energy model assumptions are fine-tuned, as needed, with actual operating hours, set points and plug loads.

It often takes about a year for larger commercial buildings to be fully occupied, equipped, and debugged of any performance issues. This approach allows for deeper BED involvement; more accurate savings claims and ensures that building operators are encouraged to optimize the energy performance of buildings. BED starts to monitor the energy usage data shortly after occupancy and provides feedback to the project team. This approach continues to be well received by customers and the design and building community.

Project Highlights

The annualized megawatt-hour (MWh) savings for 2025 was 76, about 93% lower than the 1,158 MWh goal. Total BED program costs were \$257,392, about 55% lower than the budgeted amount of \$554,460.

Variance Discussion

Customers make business decisions independent of BED's program budgeting efforts, and we fully anticipate that year to year results will be "lumpy" and show dramatic swings in performance. Also, timing plays a role in annual results as some projects are not completed precisely in the planned year such as the new Burlington High School building mentioned above. Long-term average results are a better indicator of what can be expected on an annual basis than any given year's data.

Program Outlook

2026 will continue to see further coordination between BED's EEU and Tier 3 programs as heat pump technology is continuing to emerge as an alternative for building space conditioning, even when natural gas services are available. Accordingly, BED will continue to evaluate the costs and benefits of various HVAC systems such as air source and ground source heat pumps.

With new all heat pump HVAC buildings, EEU RA funds can be applied toward the highest efficiency heat pumps, thermal shell measures, more efficient energy recovery ventilation systems, and other building efficiency components.

BED will also continue to offer financial assistance for third-party commercial building envelope commissioning to encourage high performance building shells. With the help of Vermont based thermal envelope specialists, BED will continue collaborating with Architects, owners, and contractors to encourage building envelopes that are being designed and constructed utilizing higher performance thermal envelope techniques as it has a significant impact on energy usage.

Table 11: EEU Business New Construction - Total Resource Benefits

Avoided Costs of Electricity	\$75,043
Fossil Fuel Savings	\$0
Water Savings	\$0
TRB Total	\$75,043

	Annual	Lifetime
Meter MWh	73	1,099
Generation MWh	76	1,137
Meter Demand kW	22	327
Generation Peak Summer kW	6	96
Generation Peak Winter kW	13	200
Water Savings	\$0	\$0
Fuel Savings	\$0	\$0
O+M Savings	\$0	\$0

Table 12: EEU Business New Construction – Summary

	<u>Prior Year</u> 2024	<u>Current</u> 2025	<u>Program to</u> <u>Date</u>
Program Costs			
<u>Incentive and Technical Assistance</u>			
<u>Incentive</u>			
Incentives to Participants (RA)	\$ 182,537	\$ 96,775	\$ 1,219,408
Incentives to Trade Allies (RA)			\$ -
<u>Technical Assistance</u>			
Services to Participants (RA)	\$ 100,745	\$ 114,299	\$ 619,901
Services to Trade Allies (RA)			\$ -
Energy Code and Standards Support (DSS)			\$ -
Building Energy Labeling and Benchmarking (DSS)			\$ -
Better Buildings by Design (DSS)			\$ -
<i>Incentive & Tech Asst Sub-Total (1)</i>	\$ 283,282	\$ 211,074	\$ 1,839,309
<u>Non-Incentive Program Costs</u>			
Programs and Implementation (RA)	\$ 16,205	\$ 14,000	\$ 79,815
Strategy and Planning (RA)	\$ 7,228	\$ 5,934	\$ 41,577
Marketing Program (RA)		\$ 63	\$ 1,503
Customer Support (DSS)			
General Marketing & Public Education (DSS)			
Energy Literacy (DSS)			
Applied R&D (DSS)			
Support Services (RA)	\$ 7,228	\$ 5,934	\$ 41,577
Quality Assurance	\$ 4,819	\$ 3,956	\$ 27,718
<i>Non-Incentive Program Sub-Total (2)</i>	\$ 35,480	\$ 29,887	\$ 192,191
<i>Total Program Costs</i>	\$ 318,762	\$ 240,961	\$ 2,031,500
Administrative			
Sr. Management, Budget, Financial Oversight (RA)	\$ 3,614	\$ 2,967	\$ 20,789
Policy & Public Affairs (DSS)			
Planning & Reporting (DSS)	\$ 9,767	\$ 8,716	\$ 53,977
Administration & Regulatory (DSS)			
IT (DSS)			
Evaluation (DSS)			
<i>Direct and Indirect Overhead</i>	<u>\$ 5,783</u>	<u>\$ 4,747</u>	<u>\$ 30,267</u>
<i>Administrative Sub-Total (3)</i>	\$ 19,164	\$ 16,431	\$ 105,034
Earned Compensation			
Base Compensation			
Performance Compensation			
<i>Earned Compensation Sub-Total (4)</i>			
Total Program and Administrative	\$ 337,926	\$ 257,392	\$ 2,136,534
Overall Total	\$ 337,926	\$ 257,392	\$ 2,136,534
--- Benefits ---			
Annual MWh	153	76	26,948
Lifetime MWh	3,450	1,137	407,081
Winter Peak kW	36	13	3,207
Summer Peak kW	9	6	4,066
MWh/ Participant	30.6	10.9	72.6
Weighted Lifetime	22.5	15.0	15.1

Table 13: EEU Business New Construction - End Use Summary

----- MWh -----
 ----- kW -----

End Use	Participants	Gross	Net	Lifetime	Winter	Summer	MMBtu	CCF
Lighting Hardwired Fixture	1	33.76	35.88	538.15	2.62	3.78	0.00	0.00
Other	4	25.65	27.22	408.32	7.58	2.29	0.00	0.00
Space Heat Efficiency	2	13.85	12.70	190.48	3.12	0.32	0.00	0.00

2.2.2 Business Existing Facilities (Market Opportunities & Retrofit Services)

Program Description

Business Existing Facilities, Market Opportunity Service (MOP), targets naturally occurring equipment changeovers to secure energy savings in the equipment replacement market. Targeted equipment includes heating, ventilation, cooling, water heating, refrigeration, motors and drives, controls, industrial process applications and limited LED lighting and controls opportunities. This program offers prescriptive and custom tracks, with technical assistance, financial incentives that encourage the adoption of cost effective, high efficiency alternatives to standard efficiency equipment. BED and EVT jointly offer statewide prescriptive incentives for eligible equipment.

Non-prescriptive cost-effective measures or combinations of measures are eligible for custom incentives. Custom incentives are designed to capture as many potential lost opportunity resources as possible. BED staff and trade allies serving Burlington (including equipment vendors, manufacturers, suppliers, contractors, architects, and engineers) market the program to potential participants.

Again, as natural gas is the predominant heating fuel in Burlington, BED works closely with VGS to encourage a comprehensive approach to energy savings. BED and VGS staff are committed to bringing appropriate projects to each other's attention.

Business Existing Facilities, Retrofit Service offers energy efficiency services that have been provided by BED staff for over three decades. Building retrofit entails BED staff and/or trade allies examining customer buildings and systems to identify energy efficiency opportunities for the customer. When promising projects are identified, BED staff prepare analyses for the customer showing the costs and benefits of potential energy efficiency measures. This service is offered to all business customers – from the smallest retail store to the largest commercial facility.

Program Highlights

The annualized megawatt-hour (MWh) savings for 2025 was 1,365, about 36% lower than the goal of 2,150 MWh. Total BED program costs were \$829,182, about 20% lower than the budgeted amount of \$1,029,711.

As BED's largest program in most years (the commercial customer sector consumes about 75% of BED's total annual kWh sales), BEF program managers are responsible for delivering services across a diverse population of institutions and businesses, from large hospitals and colleges to office buildings, retail stores, and restaurants. BED's largest customers consume between 1,000 and 57,000 MWh per year and typically exceed peak demand of 100 kW. Many smaller customers, on the other hand, have the energy profile of large residential homes, consuming about 8,000 to 20,000 kWh annually. Such diversity requires a multi-prong implementation strategy.

Variance Discussion

As mentioned in other sections of this Report, and in prior Annual Reports and Annual Plans, BED began to explore how to move beyond lighting as the dominant measure in this market several years ago. HVAC, and other measures like refrigeration, need to play a more prominent role going forward but with over 70% of BED's commercial customers leasing their spaces, HVAC improvements present strong challenges. Also, HVAC and refrigeration equipment typically have longer lifetimes than lighting measures so there are less frequent replacement opportunities, and they can be much more expensive measures to install relative to lighting upgrades.

Program 2026 Outlook

For 2024-2026, BEF represents 45% of the total 3-year budget and 55% of the total savings goal so strong customer participation is critical to achieving performance goals. There are no new planned initiatives to the program structure as described in BED's DRP, however, BED continues to monitor existing commercial customer activity closely, and the challenges that they are facing, as described in the Business Sector Overview section above.

BED, in partnership with VGS, will continue to leverage participation in the Burlington 2030 District effort. 2030 Districts are unique private/public partnerships in designated urban areas across North America committed to reducing energy use, water, and transport emissions. Overseen by Architecture 2030, 2030 Districts are in the vanguard of grassroots collaborative efforts to renovate existing buildings and construct high-performance infill development and redevelopment. More information is available at: <http://www.2030districts.org/burlington>. Also, the video featuring two property members describes the customer experience further, <https://www.youtube.com/watch?v=8MryRIwTBaw>

Table 14: EEU Business Existing Facilities - Total Resource Benefits

Avoided Costs of Electricity	\$1,521,512
Fossil Fuel Savings	\$2,779
Water Savings	\$0
TRB Total	\$1,524,291

	Annual	Lifetime
Meter MWh	1,292	26,049
Generation MWh	1,365	27,582
Meter Demand kW	401	8,209
Generation Peak Summer kW	157	3,143
Generation Peak Winter kW	68	1,019
Water Savings	\$0	\$0
Fuel Savings	(\$10)	(\$146)
O+M Savings	\$72	\$1,080

Table 15: EEU Business Existing Facilities - Summary

	<u>Prior Year</u> 2024	<u>Current</u> 2025	<u>Program to</u> <u>Date</u>
Program Costs			
<u>Incentive and Technical Assistance</u>			
<u>Incentive</u>			
Incentives to Participants (RA)	\$ 388,340	\$ 397,757	\$ 3,195,072
Incentives to Trade Allies (RA)			
<u>Technical Assistance</u>			
Services to Participants (RA)	\$ 173,511	\$ 193,371	\$ 1,226,904
Services to Trade Allies (RA)			
Energy Code and Standards Support (DSS)			
Building Energy Labeling and Benchmarking (DSS)			
Better Buildings by Design (DSS)			
<i>Incentive & Tech Asst Sub-Total (1)</i>	\$ 561,851	\$ 591,128	\$ 4,421,976
<u>Non-Incentive Program Costs</u>			
Programs and Implementation (RA)	\$ 139,828	\$ 127,742	\$ 693,541
Strategy and Planning (RA)	\$ 15,654	\$ 20,234	\$ 137,736
Marketing Program (RA)	\$ -	\$ 38	\$ 3,569
Customer Support (DSS)			
General Marketing & Public Education (DSS)			
Energy Literacy (DSS)			
Applied R&D (DSS)			
Support Services (RA)	\$ 20,872	\$ 26,979	\$ 181,284
Quality Assurance	\$ 10,436	\$ 13,489	\$ 90,642
<i>Non-Incentive Program Sub-Total (2)</i>	<u>\$ 186,789</u>	<u>\$ 188,482</u>	\$ 1,106,771
<i>Total Program Costs</i>	\$ 748,640	\$ 779,610	\$ 5,528,747
Administrative			
Sr. Management, Budget, Financial Oversight (RA)	\$ 7,827	\$ 10,117	\$ 68,450
Policy & Public Affairs (DSS)			
Planning & Reporting (DSS)	\$ 20,223	\$ 23,268	\$ 77,325
Administration & Regulatory (DSS)			
IT (DSS)			
Evaluation (DSS)			
<i>Direct and Indirect Overhead</i>	<u>\$ 12,523</u>	<u>\$ 16,187</u>	\$ 113,879
<i>Administrative Sub-Total (3)</i>	\$ 40,573	\$ 49,573	\$ 259,656
Earned Compensation			
Base Compensation			
Performance Compensation			
<i>Earned Compensation Sub-Total (4)</i>			
Total Program and Administrative	\$ 789,213	\$ 829,182	\$ 5,788,402
Overall Total	\$ 789,213	\$ 829,182	\$ 5,788,402
--- Benefits ---			
Annual MWh	585	1,365	80,307
Lifetime MWh	9,317	27,582	1,020,001
Winter Peak kW	80	68	10,604
Summer Peak kW	51	157	9,979
MWh / Participant	8.2	11.8	13.4
Weighted Lifetime	15.9	20.2	12.7

Table 16: EEU Business Existing Facilities - End Use Summary

End Use	Participants	----- MWh -----			----- kW -----		MMBtu	CCF
		Gross	Net	Lifetime	Winter	Summer		
Air Conditioning Efficiency	8	809.04	861.64	20,050.19	0.00	104.86	0.00	0.00
Hot Water Efficiency	6	2.14	2.49	29.92	0.39	0.20	0.00	0.00
Light Bulb/Lamp	16	297.58	315.33	4,730.00	35.77	35.67	0.00	0.00
Lighting	2	1.75	1.87	28.10	0.06	0.10	0.00	0.00
Lighting Hardwired Fixture	6	43.42	46.11	691.61	8.13	5.21	-9.70	0.00
Motors	2	0.09	0.09	1.85	0.02	0.00	0.00	0.00
Refrigeration	24	74.87	78.74	1,093.63	12.25	10.06	0.00	0.00
Space Heat Efficiency	34	63.21	59.06	956.32	11.87	1.37	0.00	0.00

2.3 Residential Services Overview

This section of the report contains information on BED's Residential EEU Services: Residential New Construction, Residential Existing Buildings, Efficient Retail Products and Thermal Energy and Process Fuels (TEPF) services for non-VGS customers heating with oil, propane, or wood.

In 2025, BED projected 724 annualized MWh residential savings while achieving annual energy savings of 289 MWh; about 40% of the projected goal. BED's cost to deliver residential services in 2025 was \$540,672, about 20% less than the projected spending of \$678,930.

As BED has described in past EEU Annual Reports and Annual Plans, the residential class presents challenges as about 60% of BED's residential customers are renters and about 85% of these customers pay their electric and natural gas heating bill directly. BED's best information indicates that about 98% of residential buildings use natural gas for space heating and about 90% use natural gas for domestic hot water. Rental apartments are typically smaller with fewer energy efficiency opportunities. Changing out the HVAC systems, replacing major appliances, or weatherizing are the responsibility of the building owners who, typically, are not motivated to make improvements as they do not pay the energy bills.

BED also turns over 30 to 35% of residential accounts each year due, mostly to the high percentage of college students. Also, BED's average annual usage per residential customer continues to remain flat with a monthly average of about 390 kWh. BED's residential consumption is about **24%** less than the average Vermont residential customer and about **34%** less than the average New England residential customer.

As residential sector EEU RA savings transitions away from LED lighting measures, starting in the 2024-2026 performance period, BED notes the increasing importance of our marketing and outreach efforts to inform customers of other energy savings products and services to meet savings goals. Historically, LED lighting products have been a relatively accessible and inexpensive energy efficiency improvement for many

customers where larger appliances, heat pump technologies and weatherization improvements can be more challenging and expensive to obtain, especially for renters.

BED will continue to evaluate all program design assumptions and pursue all strategies to make programs as cost-effective as possible. BED will also continue to focus on energy education efforts and to continue to strengthen our close collaboration with VGS as we jointly serve most Burlington's customers.

BED will also continue to partner with 3E Thermal in the low-income, larger multi-family, rental housing space. Starting in 2023, 3E Thermal starting working directly with BED and VGS on weatherization and energy efficiency upgrades on rental buildings five units and larger. 3E thermal is a statewide program of Capstone Community Action and focuses on improving the energy performance, health, and durability of apartment buildings. Champlain Vally Weatherization Service (CVWS) will continue to partner with BED and VGS on single-family homes and smaller rental buildings via the Low-Income Weatherization program (WAP).

As described in the Introduction section above, one of BED's key strategic objectives, outlined in [BED's 2025-2026 Strategic Direction](#) document, is to ensure all programs are equitable and accessible, with a priority given to low-to-moderate income, rental, Black, Indigenous, and people of color (BIPOC), immigrant, and refugee populations. BED will continue to proactively seek customer input and incorporate this input into program designs.

Table 17: EEU Residential - Total Resource Benefits

Avoided Costs of Electricity	\$354,806
Fossil Fuel Savings	\$31,001
Water Savings	\$86,345
TRB Total	\$472,152

	Annual	Lifetime
Meter MWh	506	7,358
Generation MWh	289	4,209
Meter Demand kW	477	6,789
Generation Peak Summer kW	51	731
Generation Peak Winter kW	52	777
Water Savings	\$512	\$7,162
Fuel Savings	(\$1)	(\$10)
O+M Savings	(\$480)	(\$8,856)

Table 18: EEU Residential - Summary

	<u>Prior Year</u> 2024	<u>Current</u> 2025	<u>Program to</u> <u>Date</u>
Program Costs			
<u>Incentive and Technical Assistance</u>			
<u>Incentive</u>			
Incentives to Participants (RA)	\$ 596,542	\$ 292,804	\$ 2,551,218
Incentives to Trade Allies (RA)	\$ -	\$ -	\$ -
<u>Technical Assistance</u>			
Services to Participants (RA)	\$ 113,067	\$ 72,257	\$ 819,584
Services to Trade Allies (RA)	\$ 1,512	\$ 893	\$ 12,190
Energy Code and Standards Support (DSS)	\$ -	\$ -	\$ -
Building Energy Labeling and Benchmarking (DSS)	\$ -	\$ -	\$ -
Better Buildings by Design (DSS)	\$ -	\$ -	\$ -
<i>Incentive & Tech Asst Sub-Total (1)</i>	\$ 711,120	\$ 365,955	\$ 3,382,991
<u>Non-Incentive Program Costs</u>			
Programs and Implementation (RA)	\$ 139,496	\$ 98,820	\$ 604,447
Strategy and Planning (RA)	\$ 17,397	\$ 10,513	\$ 149,617
Marketing Program (RA)	\$ -	\$ 356	\$ 5,549
Customer Support (DSS)	\$ -	\$ -	\$ -
General Marketing & Public Education (DSS)	\$ -	\$ -	\$ -
Energy Literacy (DSS)	\$ -	\$ -	\$ -
Applied R&D (DSS)	\$ -	\$ -	\$ -
Support Services (RA)	\$ 15,885	\$ 9,621	\$ 114,555
Quality Assurance	\$ 10,590	\$ 6,414	\$ 76,370
<i>Non-Incentive Program Sub-Total (2)</i>	\$ 183,369	\$ 125,726	\$ 950,540
<i>Total Program Costs</i>	\$ 894,490	\$ 491,680	\$ 4,333,531
Administrative			
Sr. Management, Budget, Financial Oversight (RA)	\$ 7,943	\$ 4,811	\$ 57,278
Policy & Public Affairs (DSS)	\$ -	\$ -	\$ -
Planning & Reporting (DSS)	\$ 47,793	\$ 33,582	\$ 206,511
Administration & Regulatory (DSS)	\$ -	\$ -	\$ -
IT (DSS)	\$ -	\$ -	\$ -
Evaluation (DSS)	\$ -	\$ -	\$ -
<i>Direct and Indirect Overhead</i>	<u>\$ 12,893</u>	<u>\$ 10,600</u>	<u>\$ 87,822</u>
<i>Administrative Sub-Total (3)</i>	\$ 68,628	\$ 48,991	\$ 351,608
Earned Compensation			
Base Compensation			
Performance Compensation			
<i>Earned Compensation Sub-Total (4)</i>			
Total Program and Administrative	\$ 963,119	\$ 540,672	\$ 4,685,141
Overall Total	\$ 963,119	\$ 540,672	\$ 4,685,141
--- Benefits ---			
Annual MWh	511	289	59,333
Lifetime MWh	8,729	4,209	715,249
Winter Peak kW	84	53	13,847
Summer Peak kW	88	50	5,715
MWh / Participant	0.9	0.3	1.7
Weighted Lifetime	17.1	14.6	12.1

Table 19: EEU Residential - End Use Summary

End Use	Participants	----- MWh -----			----- kW -----		MMBtu	CCF
		Gross	Net	Lifetime	Winter	Summer		
Air Conditioning Efficiency	66	17.33	15.92	176.76	0.45	4.03	0.00	0.00
Cooking and Laundry	61	67.22	58.62	734.97	7.84	6.68	-0.96	511.60
Electronics	1	0.04	0.04	0.19	0.00	0.00	0.00	0.00
Hot Water Efficiency	68	49.93	59.19	709.67	9.23	4.66	0.00	0.00
Lighting	11	3.40	3.48	7.28	1.05	0.29	0.00	0.00
Motors	63	12.51	13.22	264.41	2.48	0.00	0.00	0.00
Office Equipment/Electronics	1	0.34	0.36	2.15	0.04	0.03	0.00	0.00
Refrigeration	29	18.77	12.06	205.05	1.13	1.41	0.00	0.00
Space Heat Efficiency	219	317.29	122.87	2,045.09	29.27	33.23	0.00	0.00
Thermal Shell	10	18.13	1.73	43.20	0.58	0.15	0.00	0.00
Ventilation	19	1.08	1.08	20.44	0.13	0.12	0.00	0.00

2.3.1 Residential New Construction

Program Description

This service aims to improve the efficiency of all new homes, and buildings undergoing substantial renovation. This includes single-family homes, multi-family homes, and low-income multi-family projects. It addresses all major end uses such as thermal envelope, space heating, water heating, central cooling, ventilation, major appliances, and lighting. Residential New Construction (RNC) encourages builders and customers to build to the high efficiency program standards that are offered statewide from EVT, VGS and BED. RNC provides technical and financial assistance to home builders, developers, and architects to design and build new homes (or major renovations) that exceeds Vermont's Residential Building Energy Standard (RBES).

The standards are promoted to developers, architects, builders, building supply centers, equipment suppliers, and consumers through a combination of marketing, technical assistance to builders and a package of incentives for better performing thermal shells, HVAC equipment/controls, efficient lighting fixtures, major appliances, and ventilation equipment.

BED uses several methods to encourage participation in this sometimes difficult to influence market. These include:

- BED staff attend monthly Technical Review Committee (TRC) meetings where all major new construction projects are introduced to City departments as part of the City's local zoning and permitting approval process.
- New and revised electrical service and line extension applications help staff track smaller renovation projects that may have bypassed the City's permit approval process. All "ability to serve" letters from BED include information about energy efficiency services.
- The Burlington Department of Permitting & Inspections (DPI) refers projects to BED.

Program Highlights

In 2025, the RNC service achieved 14 MWh in annualized electricity savings for the year which was about 86% below the projected 100 MWh goal. At \$49,244 spending was 43% lower than the projected budget of \$87,079. One of the completed projects included a two-family building constructed by Green Mountain Habitat for Humanity.

Variance Discussion

As BED has reported in previous EEU Annual Reports and Annual Plans, RNC is a difficult market to predict year to year as it only takes a few projects in Burlington to impact savings projections and budgets dramatically. In pre-pandemic program history, RNC had worked successfully with several multi-family buildings that utilize cold climate heat pumps as the primary heating and cooling source. These “electrically” heated buildings provided strong thermal shell savings to the RNC program; however, more recent economic conditions have limited new construction starts in 2024, 2025 and 2026 to date.

Program Outlook

In 2026 and beyond, the RNC program will continue to assist the residential market with exceeding RBES and will also promote low-load and net-zero building practices. To help promote program objectives, BED will actively participate in regional events such as the Better Building by Design conference and work with relevant associations such as the Vermont Green Building Network, and the Vermont Passive House Association.

BED’s RNC program is projected to be dominated by multi-family structures and that cold climate heat pumps (CCHP’s) (aka ductless mini splits) will continue to be the most popular HVAC solution for market-rate multi-family new construction projects due to the low first installation cost, especially when air conditioning is desired. As part of BED’s on-going beneficial electrification efforts, BED will continue to focus on high performance thermal envelopes, and controls, to help mitigate potential future regrets from strategic thermal electrification.

As we have discussed in previous Annual Reports and Plans, from a thermal decarbonization and strategic electrification perspective, the use of CCHP's can be a positive solution. However, most heat pump buildings to date use electric resistance heat to back-up the CCHP's so potential winter peak and customer high bill issues need to be carefully considered. Fortunately, each of the CCHP buildings built to date have worked with BED to design and construct high performance thermal envelopes which have mitigated peaking, high bill, and comfort issues. Also, for most of the buildings, the electric baseboard heat is on a master control so that it cannot come on until the outside temperature is lower than 5 degrees F.

BED continues to review the 15-minute electric usage data for the CCHP buildings constructed over the past several years, and they are performing well from both a kWh and CP-kW perspective. Again, BED credits the strong attention to detail on the thermal envelopes with a particular focus on air leakage reduction work and blower door testing.

Table 20: EEU Residential New Construction - Total Resource Benefits

Avoided Costs of Electricity	\$25,095
Fossil Fuel Savings	\$0
Water Savings	\$0
TRB Total	\$25,095

	Annual	Lifetime
Meter MWh	15	370
Generation MWh	14	356
Meter Demand kW	12	312
Generation Peak Summer kW	0	7
Generation Peak Winter kW	3	65
Water Savings	\$0	\$0
Fuel Savings	\$0	\$0
O+M Savings	\$0	\$0

Table 21: EEU Residential New Construction - Summary

	<u>Prior Year</u> 2024	<u>Current</u> 2025	<u>Program to</u> <u>Date</u>
Program Costs			
<u>Incentive and Technical Assistance</u>			
<u>Incentive</u>			
Incentives to Participants (RA)	\$ 163,113	\$ 19,750	\$ 394,417
Incentives to Trade Allies (RA)			
<u>Technical Assistance</u>			
Services to Participants (RA)	\$ 38,525	\$ 16,564	\$ 129,083
Services to Trade Allies (RA)			
Energy Code and Standards Support (DSS)			
Building Energy Labeling and Benchmarking (DSS)			
Better Buildings by Design (DSS)			
<i>Incentive & Tech Asst Sub-Total (1)</i>	\$ 201,638	\$ 36,314	\$ 523,500
 <u>Non-Incentive Program Costs</u>			
Programs and Implementation (RA)	\$ 17,197	\$ 7,884	\$ 73,821
Strategy and Planning (RA)	\$ 2,336	\$ 973	\$ 12,006
Marketing Program (RA)	\$ -	\$ 288	\$ 1,208
Customer Support (DSS)			
General Marketing & Public Education (DSS)			
Energy Literacy (DSS)			
Applied R&D (DSS)			
Support Services (RA)	\$ 2,336	\$ 973	\$ 12,006
Quality Assurance	\$ 1,557	\$ 649	\$ 8,004
<i>Non-Incentive Program Sub-Total (2)</i>	\$ 23,426	\$ 10,768	\$ 107,046
<i>Total Program Costs</i>	\$ 225,064	\$ 47,082	\$ 630,546
 Administrative			
Sr. Management, Budget, Financial Oversight (RA)	\$ 1,168	\$ 487	\$ 6,003
Policy & Public Affairs (DSS)			
Planning & Reporting (DSS)	\$ 5,055	\$ 897	\$ 10,998
Administration & Regulatory (DSS)			
IT (DSS)			
Evaluation (DSS)			
<i>Direct and Indirect Overhead</i>	<u>\$ 1,901</u>	<u>\$ 779</u>	<u>\$ 9,623</u>
<i>Administrative Sub-Total (3)</i>	\$ 8,124	\$ 2,162	\$ 26,623
 Earned Compensation			
Base Compensation			
Performance Compensation			
<i>Earned Compensation Sub-Total (4)</i>			
Total Program and Administrative	\$ 233,188	\$ 49,244	\$ 657,169
Overall Total	\$ 233,188	\$ 49,244	\$ 657,169
 --- Benefits ---			
Annual MWh	233	14	2,613
Lifetime MWh	4,681	356	45,413
Winter Peak kW	33	3	515
Summer Peak kW	36	0	359
MWh / Participant	46.6	2.3	5.2
Weighted Lifetime	20.1	25.4	17.4

Table 22: EEU Residential New Construction - End Use Summary

End Use	Participants	----- MWh -----			----- kW -----		MMBtu	CCF
		Gross	Net	Lifetime	Winter	Summer		
Space Heat Efficiency	2	13.15	12.51	312.76	2.02	0.13	0.00	0.00
Thermal Shell	1	1.63	1.73	43.20	0.58	0.15	0.00	0.00

2.3.2 Residential Existing Buildings

Program Description

This service aims to improve the energy efficiency of existing residential buildings (REB) including low-income single family, market-rate single-family and all multi-family projects (market-rate and low-income). BED also works closely with VGS, the Champlain Valley Weatherization Service (CVWS), and 3E Thermal on many projects.

The REB program targets both market-driven and discretionary, early replacement/retrofit opportunities. Additionally, the program serves as a point of contact for customers seeking advice about heat pump technology and electric vehicles; electric vehicle charging equipment and other transportation related measures.

Low-income buildings are addressed by a partnership with the state's Low-income Weatherization Assistance Program (WAP). This partnership provides electric efficiency measures to Burlington's low-income electricity consumers. Electrical efficiency measures are delivered to income-eligible electric customers at the time they receive thermal shell, space heating, and water heating improvements from CVWS or 3E Thermal.

BED's best information is that a majority of WAP eligible customers live in multi-family rental buildings where over 98% use natural gas for space heating and domestic hot water. The average annual electric usage for WAP eligible customers is on par with average BED multi-family residential, historic, consumption patterns of about 320 kWh per month. When combining the high saturation of natural gas usage with low electric usage, electric energy savings opportunities are limited but BED is committed to working with our CVWS, 3E Thermal and VGS partners to provided efficiency services to our income eligible customers.

REB also works closely with high usage households for energy efficiency improvements that can reduce energy bills and solve comfort and moisture related issues. Virtual and on-site energy audits, customer energy education, appliance meter loans, technical assistance, project management, and cash incentives are all part of this service.

BED and VGS work with the private (market-rate) rental housing market (customers not eligible for low-income energy services) to increase both participation and the depth of savings per participant. Traditionally, renters (60% of BED's residential customers) have not been strong participants and the same holds true for property-owners where the tenants pay the energy bills directly which is the case in about 85% of Burlington's dwellings, creating the "split-incentive" paradigm.

The "Rental Properties Owners" service offers free tank wraps (electric tanks only), pipe insulation, water saving devices, enhanced rebates for the early retirement of eligible refrigerators, and incentives for improving mechanical ventilation.

This service provides savings directly to the tenant but also water savings, and potential maintenance savings via controlled ventilation fans to the property owner. This service allows us the opportunity to develop long-lasting relationships with rental property owners to help identify further savings from refrigeration replacements, some common area lighting, laundry equipment improvements, weatherization, and ventilation.

Program Highlights

In 2025, REB achieved 194 MWh in annualized electricity savings for the year, about 40% of the projected goal of 490 MWh. At \$362,414 spending was 25% lower than BED's projected spending of \$475,745.

Variance Discussion

As BED stated in the Introduction section, year to year program savings, and spending, can fluctuate based on several factors. The Act 151/44 pilot program was a major contributing factor to overall program activity 2025 as was the case in 2024. BED continued to see strong participation with residential cold climate heat pumps. The combination of BED's Tier 3, EEU and Act 151/44 rebates continues to impact residential heat pump program participation.

Program Outlook

In 2026, BED and VGS will continue program coordination and collaboration designed to encourage more residential customers to participate in available energy efficiency programs. This collaboration helps customers to take a more complete look at their total energy picture including the thermal shell, HVAC, thermostat controls, appliances, along with solutions for comfort or moisture related issues.

About 98% of BED's residential customers use natural gas as their primary space heating source, however, there are a number of dwellings that are mostly natural gas heated but electric usage data also reveals some electric heat usage and/or air conditioning usage. Customers scheduling energy audits are asked for their permission for the two EEU's to share usage data for analysis purposes. BED and VGS have established a methodology so that BED now offers an additional customer incentive to complete the recommended weatherization work. VGS now includes this information in the customers' report with the goal of increasing the "energy audit" to "actual project" completion rate.

BED and VGS have also developed a similar weatherization cost sharing process where cold climate heat pumps are installed but they can only provide a portion of the space heating load. Customers and contractors are made aware that the full weatherization rebate amounts are available to "hybrid" heated buildings, and they will get a proportional rebate check from both EEU's.

BED will also continue to cultivate partnerships and pursue initiatives that allow for additional opportunities to engage with the *low-and moderate-income* customers and those organizations that serve these customers.

To effectively address the needs of the community, BED will continue to partner with the Champlain Valley Weatherization Service (CVWS), who combine their services with our incentives to deliver a comprehensive suite of energy services to lower income households. Other partners include the Burlington Housing Authority, Champlain Housing Trust, Cathedral Square Corporation and 3E Thermal.

Table 23: EEU Residential Existing Buildings - Total Resource Benefits

Avoided Costs of Electricity	\$254,577
Fossil Fuel Savings	\$25,809
Water Savings	\$4,135
TRB Total	\$284,521

	Annual	Lifetime
Meter MWh	394	5,689
Generation MWh	194	2,814
Meter Demand kW	246	3,706
Generation Peak Summer kW	39	580
Generation Peak Winter kW	41	601
Water Savings	\$25	\$343
Fuel Savings	\$0	\$0
O+M Savings	(\$480)	(\$8,856)

Table 24: EEU Residential Existing Buildings - Summary

	<u>Prior Year</u> 2024	<u>Current</u> 2025	<u>Program to</u> <u>Date</u>
Program Costs			
<u>Incentive and Technical Assistance</u>			
<u>Incentive</u>			
Incentives to Participants (RA)	\$ 203,620	\$ 213,570	\$ 1,333,063
Incentives to Trade Allies (RA)			
<u>Technical Assistance</u>			
Services to Participants (RA)	\$ 69,249	\$ 52,569	\$ 646,753
Services to Trade Allies (RA)			
Energy Code and Standards Support (DSS)			
Building Energy Labeling and Benchmarking (DSS)			
Better Buildings by Design (DSS)			
<i>Incentive & Tech Asst Sub-Total (1)</i>	\$ 272,868	\$ 266,140	\$ 1,979,816
<u>Non-Incentive Program Costs</u>			
Programs and Implementation (RA)	\$ 41,832	\$ 39,870	\$ 176,750
Strategy and Planning (RA)	\$ 9,012	\$ 5,970	\$ 88,853
Marketing Program (RA)	\$ -	\$ 37	\$ 4,313
Customer Support (DSS)			
General Marketing & Public Education (DSS)			
Energy Literacy (DSS)			
Applied R&D (DSS)			
Support Services (RA)	\$ 9,012	\$ 5,970	\$ 65,980
Quality Assurance	\$ 6,008	\$ 3,980	\$ 43,986
<i>Non-Incentive Program Sub-Total (2)</i>	\$ 65,865	\$ 55,828	\$ 379,884
<i>Total Program Costs</i>	\$ 338,733	\$ 321,967	\$ 2,359,699
Administrative			
Sr. Management, Budget, Financial Oversight (RA)	\$ 4,506	\$ 2,985	\$ 32,990
Policy & Public Affairs (DSS)			
Planning & Reporting (DSS)	\$ 42,112	\$ 32,685	\$ 192,099
Administration & Regulatory (DSS)			
IT (DSS)			
Evaluation (DSS)			
<i>Direct and Indirect Overhead</i>	<u>\$ 7,362</u>	<u>\$ 4,776</u>	<u>\$ 46,087</u>
<i>Administrative Sub-Total (3)</i>	\$ 53,980	\$ 40,446	\$ 271,175
Earned Compensation			
Base Compensation			
Performance Compensation			
<i>Earned Compensation Sub-Total (4)</i>			
Total Program and Administrative	\$ 392,714	\$ 362,414	\$ 2,630,876
Overall Total	\$ 392,714	\$ 362,414	\$ 2,630,876
--- Benefits ---			
Annual MWh	192	194	23,067
Lifetime MWh	2,902	2,814	356,468
Winter Peak kW	42	41	6,229
Summer Peak kW	41	39	1,238
MWh / Participant	0.4	0.2	1.9
Weighted Lifetime	15.1	14.5	15.5

Table 25: EEU Residential Existing Buildings - End Use Summary

End Use	Participants	----- MWh -----			----- kW -----		MMBtu	CCF
		Gross	Net	Lifetime	Winter	Summer		
Air Conditioning Efficiency	8	0.34	0.32	3.80	0.00	0.09	0.00	0.00
Cooking and Laundry	21	3.90	3.95	49.95	0.54	0.40	0.01	24.50
Electronics	1	0.04	0.04	0.19	0.00	0.00	0.00	0.00
Hot Water Efficiency	66	51.09	60.54	725.83	9.44	4.77	0.00	0.00
Lighting	11	3.40	3.48	7.28	1.05	0.29	0.00	0.00
Motors	63	12.51	13.22	264.41	2.48	0.00	0.00	0.00
Refrigeration	22	0.78	0.74	12.65	0.07	0.09	0.00	0.00
Space Heat Efficiency	217	304.13	110.36	1,732.33	27.25	33.10	0.00	0.00
Thermal Shell	9	16.50	0.00	0.00	0.00	0.00	0.00	0.00
Ventilation	17	0.92	0.93	17.65	0.11	0.11	0.00	0.00

2.3.3 Retail Efficient Products

Program Description

The Retail Efficient Products Program (EPP) service aims to increase sales of ENERGY STAR® (ES) qualified products such as clothes washers, refrigerators, freezers, room air conditioners, and dehumidifiers. EPP addresses market driven and replace-on-burnout opportunities by reducing the initial cost of ES qualified products.

Historic EPP savings have transitioned away from LED lighting as LED's are now considered standard baseline equipment in Vermont that no longer requires EEU support. With this transition, BED remains committed to motivating customers to purchase ES qualified products and to use appliances [efficiently](#).

Program Highlights

2025 savings of 81 annualized MWh were about 40% lower than the projection of 134 annualized MWh. Annual expenditures of \$129,014 also exceeded the projected budget of \$116,106 by 12%. Window AC units, dehumidifiers and clothes washing/drying equipment dominated the program in 2025.

Variance Discussion

As residential sector savings have transitioned away from LED lighting measures, BED notes the increasing importance of our marketing and outreach efforts to inform customers of other energy savings products and services to meet savings goals. LED lighting products have been relatively accessible and inexpensive energy efficiency improvement for many customers (especially for renters) where larger home appliances can be more challenging and expensive to obtain.

Program Outlook

In 2026 and beyond, BED will continue to augment EVT's outreach with its own public education and product awareness campaigns using social media channels, websites, customer newsletters ads and articles in the North Avenue News monthly publication. As most lighting rebates have ended, EPP will continue to focus on a variety of

appliances such as refrigerators, freezers, clothes washers & dryers, window air conditioners, dehumidifiers, and room air cleaners. Energy Savings kits and appliance recycling may also be offered in 2026.

Table 26: EEU Efficient Products - Total Resource Benefits

Avoided Costs of Electricity	\$75,133
Fossil Fuel Savings	\$5,192
Water Savings	\$82,210
TRB Total	\$162,535

	Annual	Lifetime
Meter MWh	98	1,300
Generation MWh	81	1,039
Meter Demand kW	218	2,772
Generation Peak Summer kW	11	144
Generation Peak Winter kW	9	112
Water Savings	\$487	\$6,819
Fuel Savings	(\$1)	(\$10)
O+M Savings	\$0	\$0

Table 27: EEU Efficient Products - Summary

	<u>Prior Year</u> 2024	<u>Current</u> 2025	<u>Program to</u> <u>Date</u>
Program Costs			
<u>Incentive and Technical Assistance</u>			
<u>Incentive</u>			
Incentives to Participants (RA)	\$ 229,809	\$ 59,484	\$ 823,738
Incentives to Trade Allies (RA)			
<u>Technical Assistance</u>			
Services to Participants (RA)	\$ 5,293	\$ 3,124	\$ 43,748
Services to Trade Allies (RA)	\$ 1,512	\$ 893	\$ 12,190
Energy Code and Standards Support (DSS)			
Building Energy Labeling and Benchmarking (DSS)			
Better Buildings by Design (DSS)			
<i>Incentive & Tech Asst Sub-Total (1)</i>	\$ 236,614	\$ 63,501	\$ 879,675
<u>Non-Incentive Program Costs</u>			
Programs and Implementation (RA)	\$ 80,467	\$ 51,066	\$ 353,876
Strategy and Planning (RA)	\$ 6,049	\$ 3,570	\$ 48,758
Marketing Program (RA)	\$ -	\$ 31	\$ 27
Customer Support (DSS)			
General Marketing & Public Education (DSS)			
Energy Literacy (DSS)			
Applied R&D (DSS)			
Support Services (RA)	\$ 4,537	\$ 2,678	\$ 36,569
Quality Assurance	\$ 3,025	\$ 1,785	\$ 24,380
<i>Non-Incentive Program Sub-Total (2)</i>	\$ 94,078	\$ 59,130	\$ 463,610
<i>Total Program Costs</i>	\$ 330,693	\$ 122,631	\$ 1,343,286
Administrative			
Sr. Management, Budget, Financial Oversight (RA)	\$ 2,269	\$ 1,339	\$ 18,285
Policy & Public Affairs (DSS)			
Planning & Reporting (DSS)	\$ 626		\$ 3,414
Administration & Regulatory (DSS)			
IT (DSS)			
Evaluation (DSS)			
<i>Direct and Indirect Overhead</i>	<u>\$ 3,630</u>	<u>\$ 5,045</u>	<u>\$ 32,112</u>
<i>Administrative Sub-Total (3)</i>	\$ 6,524	\$ 6,383	\$ 53,809
Earned Compensation			
Base Compensation			
Performance Compensation			
<i>Earned Compensation Sub-Total (4)</i>			
Total Program and Administrative	\$ 337,217	\$ 129,014	\$ 1,397,096
Overall Total	\$ 337,217	\$ 129,014	\$ 1,397,096
--- Benefits ---			
Annual MWh	86	81	33,653
Lifetime MWh	1,146	1,039	313,368
Winter Peak kW	9	9	7,103
Summer Peak kW	11	11	4,118
MWh/ Participant	0.6	0.6	1.6
Weighted Lifetime	13.3	12.8	9.3

Table 28: EEU Efficient Products - End Use Summary

End Use	Participants	----- MWh -----			----- kW -----		MMBtu	CCF
		Gross	Net	Lifetime	Winter	Summer		
Air Conditioning Efficiency	58	17.00	15.59	172.96	0.45	3.94	0.00	0.00
Cooking and Laundry	40	63.32	54.67	685.02	7.31	6.28	-0.97	487.10
Hot Water Efficiency	2	-1.15	-1.35	-16.16	-0.21	-0.11	0.00	0.00
Office Equipment/Electronics	1	0.34	0.36	2.15	0.04	0.03	0.00	0.00
Refrigeration	7	17.99	11.32	192.41	1.06	1.32	0.00	0.00
Ventilation	2	0.15	0.15	2.79	0.02	0.02	0.00	0.00

3 Thermal Energy and Process Fuels Activity (TEPF) (Residential and Commercial)

Historically, TEPF services are designed to increase thermal energy and process fuel efficiency of homes and businesses heating with unregulated fuels, i.e., oil, LP-gas, kerosene, and wood. However, the scope of these services is limited in Burlington as about 98% of residential and commercial customers are served by VGS, who also implements thermal EEU programs with both comprehensive weatherization and equipment replacement services.

As originally described in BED's 2024-2026 EEU Triennial Plan, pursuant to Act 44, Section (f), BED is utilizing up to \$891,000 in Regional Greenhouse Gas Initiative ("RGGI") and ISO-NE Forward Capacity Market ("FCM") revenues to support its traditional TEPF programs, install three advanced manufactured home in the North Avenue Cooperative (NAC) mobile home park, and also implement two new pilot programs: Super Users and Commercial Custom Projects over the 2024-2026 period.

Traditional Weatherization Programs

BED's traditional weatherization service focuses on providing non-VGS residential homeowners and businesses with energy audits to identify cost-effective weatherization opportunities and incentives to offset the full cost of eligible work. BED's residential customers gain access to our incentives and technical assistance through the Home Performance with EnergyStar program, co-managed with EVT and VGS. Commercial customers access the statewide *Commercial Performance* program. Both programs tap into Vermont's network of Building Performance Institute (BPI) certified contractors, who perform energy audits of buildings, as well as install a wide range of thermal measures (including air sealing and insulation) that can improve occupant comfort and reduce energy consumption.

BED reiterates that the traditional TEPF program customer is exceedingly small in Burlington as about 98% of residential and commercial buildings use natural gas for space heating. BED projects that the TEPF potential market consists of about 350 residential dwellings and 10 – 15

small businesses. The single-family market is made up of homes where the properties have been relatively well maintained and updated over the years further limiting the savings potential.

BED promotes our TEPF service through a variety of channels including social media as well as through Vermont's contractor networks. For example, BED provides specific program information in EVT's quarterly newsletter that is sent out to the Efficiency Excellence Network (EEN) of contractors, installers, retailers, designers, builders, and architects.

Zero Energy Modular Homes (ZEM) (a.k.a. Advanced Manufactured Homes) (AMH)

Since 2017, BED has been actively promoting ultra-efficient AMH homes with our partners: North Avenue Cooperative ("NAC"), Green Mountain Habitat for Humanity, Champlain Housing Trust's Homeownership Program ("CHT"), and VEIC who promotes AMH's throughout Vermont. AMH's homes can be net-zero energy, which eliminates fossil fuel usage, and can have a significant financial impact on customers when compared to existing high kerosene or LP-Gas energy costs. AMH owners can save money in the long run and shield themselves from fossil fuel price inflation and volatility.

The NAC is Burlington's only mobile home park and consists of about 110 homes heated by LP-Gas or kerosene. Many of the homes are very old and ready to be replaced, there are also about five empty lots in the park. BED has worked with the NAC to encourage more AMH homes in the park and with CHT's Homeownership Program and Green Mountain Habitat for Humanity to find eligible buyers. To date, only three AMH homes have been installed in the NAC. Demand for these homes continues to be very low due to the challenging economic conditions that many of the NAC residents face, coupled with high construction costs and high lending rates.

BED will continue to work with the NAC Board to encourage more ZEM homes in the park and will continue working with CHT's Homeownership Program and Green Mountain Habitat for Humanity to find eligible buyers.

Program Highlights

2024 and 2025 program participation has been very sluggish with only one single-family completion through Quarter 4 2025. However, we have completed an energy savings analysis,

and extended an incentive offer, to a 24-unit unit condominium complex heating with propane gas. If the Homeowners Association (HOA) decides to pursue all the recommended work, then the revised projected savings will cover about 40% of BED's total 2024-2026 savings goal when combining the 825 MMBtu goal for residential, commercial weatherization and AMH.

Unfortunately, the HOA has delayed the start of the project, and it is now scheduled for the spring of 2026.

Variance Discussion

The limited unregulated fossil fuel market, as well as the housing characteristics, as described above, of the potential unregulated fuels market, has presented challenges in attracting participants. There was also limited AMH activity in 2025 as potential customers continued to face both rising construction costs and lending interest rates.

BED notes that as part of the 2024-2026 Demand Resource Plan (DRP) process, in consultation with the DPS, BED reduced traditional TEPF budgets and savings targets from previous DRPs to better align with our understanding of the limited potential market in Burlington.

Considering the challenging post-pandemic market conditions, a stronger reduction was likely warranted but BED wanted to maintain enough budget to support customers should participation increase. As BED noted in the Introduction section (P.5), these challenging market conditions prompted BED to file a 2024-2026 DRP TEPF budget and goals adjustment request with the PUC on January 9, 2026 (26-0052-PET) to reflect current performance expectations more appropriately regarding participation rates.

Program Outlook 2026

New participant activity remains sluggish through Q1 2026, but we will continue to stay in communications with the HOA for 24-unit unit condominium complex to see if there is anything further that BED can do to encourage the project.

Table 29: Traditional Thermal Energy and Process Fuels Activity

Period Costs for TEPF Savings	<u>Residential</u> <u>(2025)</u>	<u>Commercial</u> <u>(2025)</u>	<u>Total</u>
Year to Date Costs	\$24,636	\$212.00	\$24,848
Annual Budget*	\$934,500	\$2,550	\$96,000
% Of Annual Budget	26%	8%	26%
Energy Savings Results			
MMBTU Year to Date	5	0	5
MMBTU Annual Goal*	259	13	272
% Of MMBTU Annual Goal	2%	0%	2%
Progress Towards MMBTU 3-Year Goals			
MMBTU Cumulative to Date	5	0	5
3-Year MMBTU Goal	785	40	825
% Of 3-Year MMBTU Goal	1%	0%	1%

Super User EV Program for High Mileage Drivers

Pursuant to Act 44, Section 1 (f) Thermal Energy and Process fuel efficiency funding (“TEPF”), BED introduced in 2024 a new “Super Users” high mileage driver program designed to further motivate customers with high transportation fuel use to transition to all-electric vehicles (new or pre-owned) which BED will continue to offer in 2026. Super User customers are eligible for up to \$2,200 incentive (on top of BED’s Tier III and Act 44 incentives, enhanced income eligible incentives, if applicable, and/or any other State, Federal or manufacturer’s incentive), provided customers can self-attest to driving 17,600 or more miles in their personal vehicles annually. Through Quarter 4 2025 we have provided 27 customer rebates. In 2026, BED will continue to promote the program through normal marketing and outreach channels and provide program updates in 2026 EEU quarterly reports and in the 2026 EEU Annual Report due on or before May 1, 2027.

Commercial Custom Program(s)

Under this 2024-2026 pilot program, BED provides commercial customers with enhanced incentives for custom Tier 3 projects, as needed. Custom projects completed to date have proven to result in significant reductions in fossil fuel consumption. For example, in 2020, BED assisted the owner of the Hula office building to disconnect from the natural gas network and install a geothermal system for heating and cooling. This project yielded fossil fuel savings of approximately 8,900 MMBTU’s annually. In 2020 and 2024, BED provided financial incentives to Green Mountain Transit (“GMT”) for 7 all-electric buses. Each electric bus reduces diesel consumption by over 7,000 gallons annually. Finally, in 2025, BED helped UVM convert a natural gas chiller to an all-electric, demand-controlled chiller resulting in more than 11,000 MMBTU’s in natural gas savings annually. Because custom projects represent significant opportunities to reduce fossil fuel consumption, BED will continue providing commercial customers with financial and technical support, as needed. In 2025 we supported three custom projects including a project to add five new electric buses for the Green Mountain Transportation Authority. In 2026, BED will continue to promote the program through normal marketing and outreach channels and provide program updates in 2026 EEU quarterly reports and in the 2026 EEU Annual Report.

2025 Super User & Commercial Custom Activity (through Q4 2025)

	Custom Tier III Support TEPF (through Q4 2025)
2024-2025 Spending	\$ 207,500
2024-2026 Budget	\$ 600,000
% of Budget	35%

3.1 TEPF Development & Support Services (DSS)

As described below, DSS activities are essential support services that are not directly related to the acquisition of energy savings but are necessary to ensure that the RA program portfolio is well managed and forward thinking. In total, the DSS budget encompasses the following work areas: education & training, applied research, planning and reporting, evaluation, information technology, general administration, and regulatory affairs.

Education and Training

This work includes BED’s efforts to build overall awareness of energy efficiency, weatherization, building performance issues and availability of efficiency services from BED, VGS and the low-income weatherization program administrators. These activities are not tied to specific program goals. It includes presentations at public forums and workshops, and activities with Burlington’s educational institutions. Media responses and the development of energy tips that are submitted to various publications and blogs are also included.

Applied Research and Development

This activity may support research on measures such as “smart” thermostatic controls installed in buildings where there are multiple heating systems present. For example, a heat pump, and some type of secondary fossil-based heating system, in hybrid heated buildings.

Planning and Reporting

This work includes BED's responsibility to provide the PUC and DPS with detailed EEU Annual Plans as described in the "Process and Administration of an Order of an Appointment" document. This work covers all required regulatory reports associated with BED's EEU activities. These reporting activities also help to keep the PUC, DPS, Burlington Electric Commission and customers informed about how BED is meeting its established budgets and savings targets. Such reports include:

- EEU Annual Report- submitted May 1 each year.
- EEU Quarterly Reports
- EEU Annual Plans
- Periodic Ad hoc reporting requests

Evaluation

This activity supports BED's TAG and TRM participation along with other general program evaluation activities such as conducting periodic savings verification studies.

Information Technology (IT)

BED's IT activities consist of continuing the support of, and improvement to, the DSM database system for the collection and processing of project data and program information that is critical to tracking, reporting and EEU planning functions. There is a fairly regular need to alter existing tools or add new tools and functionality to the system, which helps us to better understand and respond to changes in the Burlington marketplace.

General Administration & Regulatory Affairs

This category covers BED's costs for the overall management of TEPF programs including general staff meetings, coordination of program implementation across all program functions, coordination with other EEU's and managing and monitoring of overall performance and spending. This activity also supports BED's participation in broad energy efficiency public discussions and EEU related regulatory proceedings.

Table 30: Thermal Energy and Process Fuels DSS Activity

TEPF DSS Activity	2024 Actual Spending	2025 Actual Spending	2024-2026 Budget	% 2024-2026 Budget
Education & Training	\$ 3,488	\$ 1,380	\$ 6,900	71%
Applied R&D	\$ -	\$ -	\$ 900	0%
Planning & Reporting	\$ 1,049	\$ 1,184	\$ 5,100	44%
Evaluation	\$ 696	\$ 81	\$ 1,200	65%
Information Tech	\$ 943	\$ 163	\$ 2,350	47%
General Administration & Regulatory Affairs	\$ 1,866	\$ 1,219	\$ 7,550	41%
Total	\$ 8,042	\$ 4,028	\$ 24,000	50%

4 Act 44 Pilot Programs

As described in greater detail in BED's 2024-2026 EEU Triennial Plan, consistent with Act 44 legislation, BED continues to pursue several activities that are additive to and complementary to our existing Tier III programs. These activities are directed at programs that are intended to reduce greenhouse gas emissions in the thermal energy and transportation sectors, have a nexus with electricity usage, do not compete with BED's (or any other DU's) Tier III programs, and may result in additional greenhouse gas ("GHG") emissions reductions in a cost-effective manner.

Act 44 activities include the following:

- Enhanced incentives for new and pre-owned all-electric vehicles and more efficient plug-in electric vehicles.
- Enhanced incentives for workplace/retail electric vehicle supply equipment ("EVSE) located in neighborhoods designated as disadvantaged communities.
- Enhanced incentives for EVSEs located at residential multifamily apartment buildings (market rate & low income), provided the units are available to the public.
- Enhanced incentives for EVSE's located at single family/home residences.
- Advanced heat pumps.
- DeltaClima program support
- Geo-thermal heat pump system well testing
- Preferred EV dealer network support.

The main objective for implementing the approved enhanced incentive programs is to accelerate Tier III measure adoption by providing customers with additional incentives, thus reducing their upfront capital costs even further and increasing the competitiveness of beneficial electrification technologies.

As the table below indicates, electric vehicles and heat pumps were the most active measures over the 2025 period.

Table 31: 2024-2026 Act 44 Activity (through Q4 2025)

2025 Act 44 Activity (through Q4 2025)

	Advanced Heat Pumps	Ground Source Heat Pump Test Wells	Electric Vehicles (EV & PHEV)	EV Charging Station Support	Preferred Dealer Network Support	Delta Clime VT (energy related business accelerator)	Total Act 44 Programs
2025 Spending	\$ 57,623	\$ 26,731	\$ 71,680	\$ 23,659	\$ -	\$ 15,814	\$ 195,506
2024-2025 Spending	\$ 160,030	\$ 72,935	\$ 205,629	\$ 57,190	\$ -	\$ 18,249	\$ 514,033
2024-2026 Budget	\$ 269,539	\$ 135,000	\$ 193,880	\$ 97,572	\$ 15,000	\$ 48,000	\$ 758,991
% of Budget	59%	54%	106%	59%	0%	38%	68%

5 Appendix

5.1 2024-2026 Quantifiable Performance Indicators (QPI) / Minimum Performance Requirements (MPR)

Table 30: BED's 2024-2026 Electric & TEPF QPI and MPR Results Thru Q4 2025

QPI#	Title	Performance Indicator	2024-2026 Target	Policy Goal Advanced	Progress towards 3- Yr. Goal (through Q4 2025)
1	Total Resource Benefits	Present worth of lifetime electric, fossil, and water benefits	\$15,273,300	Encourage BED to design and implement efficiency initiatives that will maximize the lifetime electric, fossil fuel, and water benefits	25%
2	Electricity Savings	Annual incremental net MWh expected savings	12,170	Annual incremental MWh savings indicator intended to encourage BED to design and implement efficiency initiatives that will maximize annual incremental electrical energy savings	24%
3	Summer Peak Demand Savings (MW)	Cumulative net summer peak demand expected savings	1.94	Cumulative summer peak demand savings indicator intended to encourage BED to design and implement efficiency initiatives that will maximize the capacity reduction coincident with peak summer demand	19%
4	Winter Peak Demand Savings (MW)	Cumulative net winter peak demand expected savings	1.95	Cumulative winter peak demand savings indicator intended to encourage BED to design and implement efficiency initiatives that will maximize the capacity reduction coincident with peak winter demand	17%
5	Weighted Lifetime MWh Savings	Cumulative Lifetime MWh Savings	176,652	Encourage BED to design and implement efficiency initiatives that will maximize the lifetime electric benefits	31%
6	Administrative Efficiency	Total Administrative cost as a % of total budget	\$43,739	5% savings based on total Admin costs in next DRP	82%

TEPF QPI/MPR	Title	Performance Indicator	2024-2026 Target	Policy Goal Advanced	Progress towards 3- Yr. Goal (through Q4 2025)
1	Thermal & Mechanical Energy Efficiency Savings (Residential and Commercial)	Incremental net MMBTU savings (3Yr total)	825	Intended to encourage BED to design and implement efficiency initiatives that will maximize unregulated thermal energy savings	1%
2	Residential single family comprehensiveness	1) Average air leakage reduction per project 2) Percent of projects with both shell and heating systems measures installed.	1) 30% reduction per project 2.) 16% of premises	Intended to ensure that energy efficiency initiatives are designed and implemented to acquire comprehensive savings	0%
3	Equity for residential customers	A minimum level of overall efficiency efforts, as reflected in "traditional" TEPF program spending, will be dedicated to residential customers or 95% of total budget	\$ 148,600.00	Intended to encourage BED to design and implement efficiency initiatives that will maximize unregulated thermal energy savings	31%

MPR #	Title	Performance Indicator	2024-2026 Target	Policy Goal Advanced	Progress towards 3-Year Goals (through Q4 2025)
1	Minimum Electric Benefits (Equity for all Electric Ratepayers)	Total electric benefits divided by total costs	Equal or greater than 1.0 benefit/cost ratio	Equity for all Vermont electric customers as a group by assuring that the overall electric benefits are greater than the costs incurred to implement and evaluate the <i>EEU</i> and the <i>EEC</i>	BED will update at end of 3-year period
2	Equity for Residential Ratepayers	A minimum level of overall efficiency efforts, as reflected in spending, will be dedicated to residential customers	A minimum of 85% of residential-sector share of total RA spending be in the residential sector (\$1,484,338 over the 3 year period).	Equity for residential customers by assuring that a minimum level of overall efficiency efforts, as reflected in spending, will be dedicated to residential customers	101%
3	Equity for Low-income Customers	A minimum level of overall efficiency efforts, as reflected in spending, will be dedicated to Low-income customers	A minimum of 85% of the low-income sector share of total RA spending be on low-income services (\$253,237 over the 3 year period)	Equity for low-income customers by assuring that a minimum level of overall efficiency efforts, as reflected in spending, will be dedicated to low-income households	110%
4	Equity for Small Business Customers	Number of total non-residential premises with annual electric use 40,000 kWh/yr. or less participating in energy efficiency programs.	205	Equity for small business customers by assuring that a minimum level of overall efficiency efforts, as reflected in participation, will be dedicated to small business accounts	52%

5.2 MPR #11 Electric Administrative Efficiency Results for CY2025

BED 2025								
Incentive, Non-Incentive, and Administrative Cost Report								
	Business Energy Services		Residential Energy Services			Act 151	Development & Support Services	Total
	Business New Construction	Business Existing Facilities	Residential New Construction	Efficient Products	Existing Homes			
Program Costs								
<u>Incentive and Technical Assistance</u>								
<u>Incentive</u>								
Incentives to Participants (RA)	\$96,775	\$397,757	\$19,750	\$59,484	\$213,570	\$188,345	\$0	\$975,682
Incentives to Trade Allies (RA)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<u>Technical Assistance</u>								
Services to Participants (RA)	\$114,299	\$193,371	\$16,564	\$3,124	\$52,569	\$308	\$0	\$380,235
Services to Trade Allies (RA)	\$0	\$0	\$0	\$893	\$0	\$616	\$0	\$1,509
Energy Code and Standards Support (DSS)	\$0	\$0	\$0	\$0	\$0	\$0	\$2,639	\$2,639
Building Energy Labeling and Benchmarking (DSS)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Better Buildings by Design (DSS)	\$0	\$0	\$0	\$0	\$0	\$0	\$7,730	\$7,730
<i>Incentive & Tech Asst Sub-Total (1)</i>	\$211,074	\$591,128	\$36,314	\$63,501	\$266,140	\$189,269	\$10,369	\$1,367,795
<u>Non-Incentive Program Costs</u>								
Programs and Implementation (RA)	\$14,000	\$127,742	\$7,884	\$51,066	\$39,870	\$1,541		\$242,104
Strategy and Planning (RA)	\$5,934	\$20,234	\$973	\$3,570	\$5,970	\$1,232		\$37,914
Marketing Program (RA)	\$63	\$38	\$288	\$31	\$37	\$0		\$457
Customer Support (DSS)								\$0
General Marketing & Public Education (DSS)							\$16,687	\$16,687
Energy Literacy (DSS)							\$11,429	\$11,429
Applied R&D (DSS)							\$9,842	\$9,842
Support Services (RA)	\$5,934	\$26,979	\$973	\$2,678	\$5,970	\$924		\$43,458
Quality Assurance	\$3,956	\$13,489	\$649	\$1,785	\$3,980	\$616		\$24,476
<i>Non-Incentive Program Sub-Total (2)</i>	\$29,887	\$188,482	\$10,768	\$59,130	\$55,828	\$4,314	\$37,958	\$386,367
<i>Total Program Costs</i>	\$240,961	\$779,610	\$47,082	\$122,631	\$321,967	\$193,583	\$48,327	\$1,754,162
Administrative								
Sr. Management, Budget, Financial Oversight (RA)	\$2,967	\$10,117	\$487	\$1,339	\$2,985	\$924	\$57,014	\$75,833
Policy & Public Affairs (DSS)							\$520	\$520
Planning & Reporting (DSS)	\$8,716	\$23,268	\$897	\$0	\$32,685	\$0	\$28,397	\$93,964
Administration & Regulatory (DSS)								\$0
IT (DSS)							\$17,282	\$17,282
Evaluation (DSS)							\$14,179	\$14,179
<i>Direct and Indirect Overhead</i>	\$4,747	\$16,187	\$779	\$5,045	\$4,776	\$4,011		\$35,545
<i>Administrative Sub-Total (3)</i>	\$16,431	\$49,573	\$2,162	\$6,383	\$40,446	\$4,935	\$117,392	\$237,323
Earned Compensation								
Base Compensation								
Performance Compensation								
<i>Earned Compensation Sub-Total (4)</i>								
Total Program and Administrative	\$257,392	\$829,182	\$49,244	\$129,014	\$362,414	\$198,518	\$165,720	\$1,991,484
Overall Total	\$257,392	\$829,182	\$49,244	\$129,014	\$362,414	\$198,518	\$165,720	\$1,991,484

5.3 TEPF Administrative Efficiency Results for CY2025

BED 2025 TEPF										
Incentive, Non-Incentive, and Administrative Cost Report										
	Business Energy Services		Residential Energy Services			Custom	TEPF Workplace EVCS			Total
	Business Initiatives	Unregulated Fuels Commercial	Unregulated Fuels Residential	Residential TEPF	Act 44 TEPF	FIT TEPF				
Program Costs										
<u>Incentive and Technical Assistance</u>										
<u>Incentive</u>										
Incentives to Participants (RA)			\$5,713	\$0	\$172,947	\$27,000	\$50,000	\$55,000		\$310,660
Incentives to Trade Allies (RA)										\$0
<u>Technical Assistance</u>										
Services to Participants (RA)			\$5,150							\$5,150
Services to Trade Allies (RA)										\$0
Energy Code and Standards Support (DSS)										\$0
Building Energy Labeling and Benchmarking (DSS)										\$0
Better Buildings by Design (DSS)										\$0
<i>Incentive & Tech Asst Sub-Total (1)</i>	\$0	\$0	\$10,863	\$0	\$172,947	\$27,000	\$50,000	\$55,000		\$315,810
<u>Non-Incentive Program Costs</u>										
Programs and Implementation (RA)			\$6,087							\$6,087
Strategy and Planning (RA)										\$0
Marketing Program (RA)										\$0
Customer Support (DSS)										\$0
General Marketing & Public Education (DSS)										\$0
Energy Literacy (DSS)										\$0
Applied R&D (DSS)										\$0
Support Services (RA)			\$0							\$0
Quality Assurance			\$0							\$0
<i>Non-Incentive Program Sub-Total (2)</i>	\$0	\$0	\$6,087	\$0	\$0	\$0	\$0	\$0		\$6,087
<i>Total Program Costs</i>	\$0	\$0	\$16,950	\$0	\$172,947	\$27,000	\$50,000	\$55,000		\$321,897
Administrative										
Sr. Management, Budget, Financial Oversight (RA)	\$0		\$0							\$0
Policy & Public Affairs (DSS)										\$0
Planning & Reporting (DSS)		\$212	\$7,686				\$20,000			\$27,898
Administration & Regulatory (DSS)										\$0
IT (DSS)										\$0
Evaluation (DSS)										\$0
<i>Direct and Indirect Overhead</i>	\$0									\$0
<i>Administrative Sub-Total (3)</i>	\$0	\$212	\$7,686	\$0	\$0	\$0	\$20,000	\$0		\$27,898
Earned Compensation										
Base Compensation										
Performance Compensation										
<i>Earned Compensation Sub-Total (4)</i>										
Total Program and Administrative	\$0	\$212	\$24,636	\$0	\$172,947	\$27,000	\$70,000	\$55,000		\$349,795
Overall Total	\$0	\$212	\$24,636	\$0	\$172,947	\$27,000	\$70,000	\$55,000		\$349,795

Summary Metrics		Without Admin Metric		With proposed Admin Metric	
		Cost	% of Total	Cost	% of Total
Incentive Costs					
Incentive & Technical Assistance		\$315,810		\$315,810	
Non-Incentive Costs		\$6,087		\$6,087	
Admin		\$27,898		\$27,898	
Earned Compensation		\$0		\$0	
Overall Total		\$349,795		\$349,795	
Incentive & Technical Assistance % of Total		90%		90%	
Incentive to Non-incentive Cost Ratio		51.88		51.88	
Program		\$321,897	92.0%	\$321,897	92.4%
Administration		\$27,898	8.0%	\$26,503	7.6%
Admin Savings (\$)				\$1,395	
Overall Total		\$349,795	100.0%	\$348,400	100.0%

5.4 Further Process Improvement Updates from the Overall Performance Assessment (Case No. 21-1500-PET) through Q4 2025

#	Process Improvement	Update	Status
1	BED should consider separating the savings and budgets for large projects in its next demand resources plan (DRP)	BED will be able to track large new construction projects and separate savings & budgets in the next DRP	Completed. Filed via e-PUC on 3/09/23 in Case No. 22-2954-PET
2	BED should consider rationalizing its TEPF budget to the available market potential in its service territory in its next DRP	As part of the potential study process, BED will continue to analyze the potential TEPF market and rationalize budgets and savings goals in the next DRP factoring in the high saturation of natural gas space heating.	Completed. Filed via e-PUC on 3/09/23 in Case No. 22-2954-PET
3	BED should review its low-income programs, identify ways to maximize low-income customer participation, and reflect its determinations in its next DRP	As BED reported in the 2023 EEU Annual Report, BED's augmented outreach efforts have produced positive results as we exceeded the MPR target for the 2021-2023 performance period.	As shown in the QPI/MPR progress table above, BED is currently on-pace to meet the 2024-2026 low-income spending goal.
4	Before the start of the next DRP proceeding, BED should develop robust internal review processes for documents to be filed with the Commission, compliance checks to ensure timely response to Commission orders, and quality controls to verify that filings are made in the appropriate case(s) with all required materials	BED continues to review its regulatory compliance process and quality control procedures to ensure that EEU filings are timely, accurate, and complete.	In progress. This continues to be an on-going process improvement effort that staff remains keenly focused on.
5	BED should consider changes to its annual report and savings claims processes, report its determinations, and propose any necessary changes to its order of appointment (OOA) or to the Process and Administration (P&A) Document;	BED will consult with the DPS on changes to the annual report and savings claim process to make the results more transparent to the PUC and other stakeholders.	In progress. To be included in the next updates to the OOA or P&A documents. The timing of the DPS's annual M&V process will be an important factor in any changes to BED's annual report and savings claim process.
6	BED should begin using the ACR that was approved for use by the EEU's in Case No. EEU-2016-03, should separate electric efficiency from TEPF program costs in the ACR, and should incorporate these changes into its reporting, beginning with BED's 2021 Annual Report	BED has incorporated the ACR in its reporting structure and it was included in the 2021 EEU Annual Report	Completed. Filed via e-PUC on 4/28/22 in Case No. 19-3272-PET
7	BED should document its efforts to increase customer awareness of EEU programs in its triennial plans, annual updates, and quarterly reports	Please see the "Outreach & Engagement with a Focus on BIPOC and Low- and Moderate-Income Customers (LMI)" section above for more information on these continuing efforts.	This is now a regular part of all EEU reporting. It is also a continuous process improvement effort with the end of most LED lighting programs, the high percentage of renters, the high saturation of natural gas users and some post-pandemic changes to commercial building use, BED will need to find creative solutions going forward.
8	BED should file a revised SQRP that incorporates performance standards, monitoring, and reporting specific to its EEU services by March 31, 2022.	BED has revised the SQRP as directed and wishes to thank the DPS for their assistance.	Completed. Filed via e-PUC on 3/31/22 in Case No. 22-1063-PET