



Commissioner June Tierney
Vermont Public Service Department
112 State Street
Montpelier, VT 05602

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Commissioner Tierney,

A mixed energy portfolio, including deliverable liquid fuels, are vital to Vermont's economy and should be part of the state's Comprehensive Energy Plan. Consider the warning sounded earlier this month that Vermont is at "heightened risk" of rolling blackouts this winter due increased electricity demand. According to the head of ISO New England, "controlled power outages" would most likely occur during an extended period of extreme cold when working home heating equipment is not a luxury but an absolute necessity. This threatens the life and property of those that do not have a stand-by generator or back-up source of heat.

Many Vermont homeowners who heat with an electric air source heat pump received warnings in February of 2021 that that their utility will "manage" the device remotely to lower energy consumption during peak demand. This problem is not going away and will likely get worse as the region adopts similar policy initiatives to electrify the thermal and transportation sector. This could result in the worst possible economic and environmental scenario in which the stability of the electric grid is dependent on fossils fuels burned inefficiently in far away power plants.

Liquid heating fuel has more power generating potential, as measured by stored energy density, than virtually every other energy source. This is why power plants turn to fuel oil as a source of backup generation when natural gas supplies are constrained. We know because we have been here before. In January of 2019, when there was not enough natural gas to feed the thirsty electric generators, the New England grid operator switched to #2 fuel oil. The grid needed 84 million gallons of fuel oil to ensure the region had enough electricity for just two weeks.

There is a better way to reduce carbon emissions while ensuring energy security for the people of Vermont. Nearly half of Vermonters depend on #2 fuel oil for heat and

hot water. This fuel can and is being replaced with a blend of renewable liquid biofuel, such as biodiesel. Clean-energy solutions from Vermont energy companies offer a quicker, more reliable path to net-zero emissions than electric heat that is dependent on a fossil fuel fired power grid. There is no question that Vermont's heating service providers will continue to sell, install, and service air source heat pumps. At the current pace, I estimate that 80,000 Vermont homes will have at least one before the end of the decade. However, most are installing these devices for air conditioning and few homeowners are abandoning their primary source of heat.

Propane, a lower carbon fuel, will also remain an important energy source in many areas of Vermont. Propane is extremely versatile, proving the fuel needed for space heating, hot water, and cooking for tens of thousands of Vermont homes and businesses. Resiliency and energy security are of fundamental importance in protecting the critical infrastructure within the state, ranging from commercial and municipal needs such as backup power generation for hospitals to residential needs such as boiling water and cooking food. Propane is the portable energy needed during times of crisis. During the Covid-19 pandemic, propane was also used for hand washing stations and hot showers for the homeless, as well as a source of outdoor heating for businesses, restaurants, and outdoor testing sites throughout the state. Propane should be part of any resilient energy strategy.

If the objective is to ensure affordable and reliable clean energy, we should be increasing options for consumers, not restricting them. I look forward to working with Vermont Public Service Department on a Comprehensive Energy Plan that achieves this goal.

Thank you for your consideration.

Sincerely,



Matt Cota

VFDA Executive Director