

State of Vermont

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Agency of Administration

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MEMORANDUM

TO: All Business Managers and Financial Staff

FROM: James Reardon, Commissioner, Department of Finance and Management

RE: Energy Expenditure Coding Structure

DATE: June 30, 2008

Under the Vermont energy efficiency and affordability act, (Act 92 of 2008), the goal of the state is “**25 by 25**”. That is, by the year 2025, to produce 25 percent of the energy consumed within the state through the use of renewable energy sources and conservation.

In order for Vermont to meet the greenhouse gas reduction goals set by the conference of the New England governors and Eastern Canadian premiers’ climate change action plan, Vermont needs to provide effective weatherization services, new funding strategies, green building practices, and installation of renewable energy systems. Some of the program highlights and goals of the act are:

- ❖ Building Efficiency Goals to reducing total fossil fuel consumption across all buildings leading to a total reduction of six percent annual by 2017 and 10 percent annually by 2025
- ❖ Commercial Building Energy standards developed and modified annually
- ❖ ‘Smart’ Metering Investigation in concert with Utility companies to make use of two-way meter monitoring to report peak and off-peak performance and use
- ❖ Fuel Efficiency Fund established to support the delivery of energy efficiency services to Vermont heating and process fuel consumers and to carry out cost-effective efficiency measures. Specifically on the following areas:
 - Efficiency Entity
 - Conservation Rates
 - Affordability
 - Net Metering
- ❖ Self-Generation and Net Metering to encourage independent power generation
- ❖ Heating and Process Fuel Efficiency Program
- ❖ Regional Coordination to Reduce Greenhouse Gases with NE states
- ❖ Renewable Energy Pricing Standards
- ❖ Sustainability Priced Energy Enterprise Development (SPEED) program
- ❖ Developing Alternative Energy Sources
- ❖ Home Weatherization Assistance Program
- ❖ Use of Biodiesel¹ in State Office Buildings, State Garages and the State Vehicle Fleet

¹ Biodiesel is a domestic, renewable fuel for diesel engines derived from natural oils like soybean oil, and which meets the specifications of ASTM D 6751. *Biodiesel Blend, n*—a blend of biodiesel fuel meeting ASTM D 6751 with petroleum-based diesel fuel, designated BXX, where XX represents the volume percentage of biodiesel fuel in the blend.



Vermont State Government, one of the largest consumers of energy in the state, is often looked upon by businesses, communities and residents to operate as a model for those to emulate. In order to rise to the fiscal and ecological high standards set before us, we must track our current usage to establish benchmarks for future conservation monitoring. Hence, we need a reporting structure and process in the General Ledger system that accurately records payments made to third party vendors for all of our energy costs as well as consumed quantities.

New reporting structure for Energy Supply Expenditures for an **Effective Date of 7/1/2008 has been expanded (and in some cases inactivated)** as follows. Items in **red** indicate new accounts. It should be noted that some of the titles have changed to several existing accounts.

Transportation Energy

- 520100 Vehicle & Equipment Supplies² ~ motor oil, lubricants, grease and gases used for repairs (argon, oxygen, butane, nitrogen) **NOTE TITLE CHANGE**
- 520110 Gasoline ~ for vehicles and highway equipment
- 520120 Diesel ~ for vehicles and highway equipment
- 520130** BIO-Diesel 2% ~ for vehicles and highway equipment
- 520140** BIO-Diesel 5% ~ for vehicles and highway equipment
- 520150** Aviation Gasoline (avgas) ~ gasoline for aircraft
- 520160** Jet Fuel (avtur) ~ diesel for aircraft

Building Energy

- 521000 Natural Gas ~ for heating of buildings and hot water
- 521100 Electricity ~ for building use
- 521210 Heating Oil #1 – Kerosene ~ for heating of buildings and hot water **NOTE TITLE CHANGE**
- CHANGE**
- 521220 Heating Oil #2 – Uncut³ ~ for heating of buildings and hot water **NOTE TITLE CHANGE**
- 521222** Heating Oil #2 – B20% ~ for heating of buildings and hot water
- 521223** Heating Oil #2 – B10% ~ for heating of buildings and hot water
- 521224** Heating Oil #2 – B5% ~ for heating of buildings and hot water
- 521230 Heating Oil #6 ~ for heating of buildings and hot water
- 521310 Wood – Chips ~ for heating of buildings and hot water **NOTE TITLE CHANGE**
- 521312** Wood – Pellets ~ for heating of buildings and hot water
- 521314** Wood – Chunks ~ for heating of buildings and hot water
- 521320 Propane Gas ~ for heating of buildings and hot water
- 521330 BIO-Fuel – B100% ~ for heating of buildings and hot water **NOTE TITLE CHANGE**

Disposal and Removal

- 510200 Disposal ~ chemical, medical, septic, hazardous materials, computers, microwaves,
- 510210 Rubbish Removal ~ trash not requiring special handling
- 510220** Recycling ~ paper, cardboard, glass, newspapers/magazines/books, plastics, tires

Inactivated Energy Accounts

- 521200 Heating Fuel
- 521300 Other Energy

Items such as charcoal, lighter fluid, propane for cooking should all be recorded to food supplies. Gasoline and diesel used for mowing of lawns should be recorded under property management services account such as 510520 – lawn maintenance.

² This account should not be used for parts related to repairs and maintenance of vehicles and equipment. Items such as mirrors, plow parts, tires, etc should be coded to 512300 ~ Repair & Maintenance Motor Vehicles and 512400 Repair & Maintenance Guardrail & Construction Equipment.

³ Heating Oil #2 – Uncut is a heating fuel that has not been blended with Bio-Fuels.



It's imperative that when paying energy invoices that we pay attention to the account codes we are using. In cursory reviews of the accounts above prior to this publication, many transactions were being posted to the incorrect accounts. Periodic reviews will be conducted but will only occur after transactions have been posted. Therefore, good accounting practices and proper coding vigilance of expenditures is greatly appreciated ultimately resultant in reduction of staff time in auditing, making corrections and correspondence.

If you are unsure about which account code to use when paying energy invoices or have questions and/or concerns regarding this new reporting requirement, please feel free to contact Debra Baslow (BGS) at 828-0377 or email <mailto:debra.baslow@state.vt.us>

Thank you in advance for your cooperation in moving state government to a more efficient, fiscally responsible and "green" friendlier operation.

