Title 30: Public Service

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§ 202b. State Comprehensive Energy Plan

(a) The Department of Public Service, in conjunction with other State agencies designated by the Governor, shall prepare a State Comprehensive Energy Plan covering at least a 20-year period. The Plan shall seek to implement the State energy policy set forth in section 202a of this title, including meeting the State's greenhouse gas emissions reductions requirements pursuant to 10 V.S.A. § 578, and shall be consistent with the relevant goals of 24 V.S.A. § 4302 and with the Vermont Climate Action Plan adopted and updated pursuant to 10 V.S.A. § 592. The State Comprehensive Energy Plan shall include:

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(b) In developing or updating the Plan's recommendations, the Department of Public Service shall seek public comment by holding public hearings in at least five different geographic regions of the State on at least three different dates, and by providing and maintaining notice on the Department's website for at least 21 days before the day of each hearing and providing and maintaining reasonable notice consistent with best practices for public engagement. ~~through publication once a week and at least seven days apart for two or more successive weeks in a newspaper or newspapers of general circulation in the regions where the hearings will be held, and by delivering notices to all licensed commercial radio and television stations with transmitting facilities within the State, plus Vermont Public Radio and Vermont Educational Television.~~ The notice shall include an Internet address where more information regarding the hearings may be viewed.

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(e) The Commissioner of Public Service (Commissioner) shall file an annual report on progress in meeting the goals of the Plan. The report shall address each of the following sectors of energy consumption in the State: electricity, nonelectric fuels for thermal purposes, and transportation. In preparing the report, the Commissioner shall consult with the Secretaries of Administration, of Agriculture, Food and Markets, of Natural Resources, and of Transportation and the Commissioner of Buildings and General Services.

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(2) The Commissioner shall file the report with the House Committee~~s~~ on Environment & Energy ~~and Technology and on Natural Resources, Fish, and Wildlife~~ and with the Senate Committees on Finance and on Natural Resources and Energy.

(3) For each sector, the report shall provide:

(A) In millions of British thermal units (MMBTUs) for the most recent calendar year for which data are available, the total amount of energy consumed, the amount of clean and renewable energy consumed, and the percentage of clean and renewable energy consumed. For the electricity sector, the report shall also state the amounts in megawatt hours (MWH) of retail sales and total sales for Vermont as well as for each retail electricity provider and the Vermont and New England summer and winter peak electric demand, including the hour and day of peak demand.

(B) Projections of the energy reductions and shift to clean and renewable energy expected to occur under existing policies, technologies, and markets. The most recent available data shall be used to inform these projections and shall be provided as a supplement to the data described in subdivision (A) of this subdivision (3).

(C) Recommendations of policies to further the clean and renewable energy requirements and goals set forth in statute and the Plan, along with an evaluation of the relative cost-effectiveness and equity-related impacts of different policy approaches.

(4) The report shall include an analysis setting forth how progress toward the goals of the Plan is supported by complementary work in avoiding or reducing energy consumption through efficiency and demand reduction. In this subdivision (4), "demand reduction" includes dispatchable measures, such as controlling appliances that consume energy, and nondispatchable measures, such as weatherization.

(5) The report shall include recommendations on methods to enhance the process for planning, tracking, and reporting progress toward meeting statutory energy requirements and the goals of the Plan. Such recommendations may include the consolidation of one or more periodic reports filed by the Department or other State agencies relating to renewable energy, with proposals for amending the statutes relevant to those reports.

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(7) The report shall include the following information on progress toward meeting the Clean Energy Standard:

(A) An assessment of the costs and benefits of the CES based on the most current available data, including rate and economic impacts, customer savings, technology deployment, greenhouse gas emission reductions achieved both relative to 10 V.S.A §578 requirements and societally, fuel price stability, effect on transmission and distribution upgrade costs, and any recommended changes based on this assessment.

(i) For the most recent calendar year for which data is available, each retail electricity provider's retail sales and total purchases (in MWh), required amounts of clean and renewable energy for each category of the CES as set forth in section 8005 of this title, and amounts of clean and renewable energy and tradeable clean and renewable energy credits eligible to satisfy the requirements of sections 8004 and 8005 of this title actually owned by

Commented [A1]: This section 7 replaced deleted language describing the annual energy report. The Annual Energy Report was getting unwieldy, and required things that are no longer relevant. Striking the entire section and adding replacement to cover the Clean Energy Standard (which RES is a portion of).

the Vermont retail electricity providers, expressed as a percentage of retail sales and total MWh purchases.

(ii) The report shall summarize the energy transformation projects undertaken pursuant to section 8005 of this title, their costs and benefits, their claimed avoided fossil fuel consumption and greenhouse gas emissions, and, if applicable, claimed energy savings.

(iii) The report shall summarize statewide progress toward achieving each of the categories set forth in section 8005 of this title.

(iv) The report shall assess how costs and benefits of the CES are being distributed across State, to the extent possible given available data, by retail electricity service territory, municipality, and environmental justice focus populations, as defined by 3 V.S.A. § 6002. Such an assessment should consider metrics to monitor affordability of electric rates.

(B) Projections, looking at least 10 years ahead, of the impacts of the CES.

(i) The Department shall consider at least three scenarios based on high, mid-range, and low energy price forecasts.

(ii) The Department shall provide an opportunity for public comment on the model during its development and make the model and associated documents available on the Department's website.

(iii) The Department shall project, for the State, the impact of the CES in each of the following areas: electric utility rates; total energy consumption; electric energy consumption; fossil fuel consumption; and greenhouse gas emissions. The report shall compare the amount or level in each of these areas with and without the program.

(C) An assessment of whether the requirements of the CES have been met to date, and any recommended changes needed to achieve those requirements.

(D) A summary of the activities of distributed renewable generation programs that support the achievement of the CES, including:

(i) Renewable Energy for Communities Program under section 8005c of this title, including the number of plants participating in the Program, their location, the prices paid for each plant, and the plant capacity and average annual energy generation of the participating plants. The report shall assess how costs and benefits of the program are being distributed across municipalities in the State and environmental justice focus populations, as defined by 3 V.S.A. § 6002.The report shall identify the number of proposals received in the most recent solicitation year, the number of participating plants under contract, the number of participating plants actually in service and the land use impact of those plants. The report shall make recommendations, as relevant, for any program modifications that may be required to ensure equitable access to the program by

municipalities, environmental justice focus populations, or any other segment of the State that may be underserved by the program.

(ii) Standard Offer Program under section 8005a of this title, including the number of plants participating in the Program, the prices paid by the Program, and the plant capacity and average annual energy generation of the participating plants. The report shall present this information as totals for all participating plants and by category of renewable energy technology. The report also shall identify the number of applications received, the number of participating plants under contract, and the number of participating plants actually in service.

(iii) the net metering program, including: the current pace of net metering deployment, both statewide and within the service territory of each retail electricity provider; the ownership and transfer of the environmental attributes of energy generated by net metering systems and of any associated tradeable renewable energy credits; and any other information relevant to the costs and benefits of net metering.

(8) The report shall include any recommendations for statutory change related to sections 8004, 8005, 8005a, 8005c, 8010, and 8011 of this title.

(d) During the preparation of reports under this section, the Department shall provide an opportunity for the public to submit relevant information and recommendations.

Commented [A2]: Deleted former provision (7) because: Small hydro program shuttered (extremely low MW per hour of staff time, no projects came online as a result to our knowledge, what applicants need is $$ to hire historical/archaeological & environmental consultants to do studies to meet SHPO & ANR requirements under FERC.

VT Village Green Program doesn't have any $, hasn't for years, not likely to get more - and if does, leg could add back in reporting requirement.

Fuel Efficiency Fund doesn't have reporting requirement under its own part of statute.

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Chapter 89: Renewable Energy Programs

- ***Subchapter 1: General Provisions***
- **§ 8001. Renewable energy goals**

(a) The General Assembly finds it in the interest of the people of the State to promote the State energy policy established in section 202a of this title by:

(1) Balancing the benefits, lifetime costs, and rates of the State's overall energy portfolio to ensure that to the greatest extent possible the economic benefits of renewable energy in the State flow to the Vermont economy in general, and to the rate-paying citizens of the State in particular.

(2) Ensuring equitable distribution of the costs and benefits of renewable energy across the State and meaningful participation of all individuals in the development, implementation, or enforcement of any renewable and clean energy related law, regulation, or policy, consistent with 3 V.S.A. § 6002.

(3) Supporting development of renewable energy that uses natural resources efficiently and related planned energy industries in Vermont, and the jobs and economic benefits associated with such development, while retaining and supporting existing renewable energy infrastructure.

(4) Providing an incentive for the State's retail electricity providers to enter into affordable, long-term, stably priced renewable energy contracts that mitigate market price fluctuation for Vermonters.

(5) Developing viable markets for renewable energy and energy efficiency projects.

(6) Protecting and promoting air and water quality in the State and region through the displacement of those fuels, including fossil fuels, which are known to emit or discharge pollutants.

(7) Contributing to reductions in global climate change and anticipating the impacts on the State's economy that might be caused by federal regulation designed to attain those reductions.

(8) Providing support and incentives to locate renewable energy plants of small and moderate size in a manner that is distributed across the State's electric grid, including locating such plants in areas that will provide benefit to the operation and management of that grid through such means as reducing line losses and addressing transmission and distribution constraints.

(9) Promoting the inclusion, in Vermont's electric supply portfolio, of renewable energy plants that are diverse in plant capacity and type of renewable energy technology.

(b) The Commission shall adopt the rules that are necessary to allow the Commission and the Department to implement and supervise programs pursuant to subchapter 1 of this chapter.

- **§ 8002. Definitions**

As used in this chapter:

(1) "Clean energy" means both Renewable Energy, as defined in this section, as well as electricity produced using a technology that does not emit greenhouse gases as a by-product of energy generation.

(2) "Commission" means the Public Utility Commission under section 3 of this title.

(3) "Commissioned" or "commissioning" means the first time a plant is put into operation following initial construction or modernization if the costs of modernization are

at least 50 percent of the costs that would be required to build a new plant including all buildings and structures technically required for the new plant's operation. However, these terms shall not include activities necessary to establish operational readiness of a plant.

(4) "Community energy system" means a distributed renewable generation system of which the electricity production, or the benefits of the electricity production, is allocated to offset the consumption of ten or more customers or a single municipal, public school, or multi-family affordable housing customer.

(5) "CPI" means the Consumer Price Index for all urban consumers, designated as "CPI-U," in the northeast region, as published by the U.S. Department of Labor, Bureau of Labor Statistics.

(6) "Customer" means a retail electric consumer.

(7) "Department" means the Department of Public Service under section 1 of this title, unless the context clearly indicates otherwise.

(8) "Distributed renewable generation" means a renewable energy plant with a plant capacity of five MW or less that is directly connected to the distribution or subtransmission system of a Vermont retail electricity provider.

(9) "Energy conversion efficiency" means the effective use of energy and heat from a combustion process.

(10) "Environmental attributes" means the characteristics of a plant that enable the energy it produces to qualify as clean or renewable energy and include any and all benefits of the plant to the environment such as avoided emissions or other impacts to air, water, or soil that may occur through the plant's displacement of a non-clean or nonrenewable energy source.

(11) "Existing renewable energy" means renewable energy produced by a plant that came into service prior to or on January 1, 2010.

(12) "Greenhouse gas reduction credits" shall be as defined in section 8006a of this title.

(13) "Group net metering system" means a net metering system serving more than one customer, or a single customer with multiple electric meters, located within the service area of the same retail electricity provider. Various buildings owned by municipalities, including water and wastewater districts, fire districts, villages, school districts, and towns, may constitute a group net metering system. A union or district school facility may be considered in the same group net metering system with buildings of its member schools that are located within the service area of the same retail electricity provider.

(14) “kW” means kilowatt or kilowatts (AC).

(15) “kWh” means kW hour or hours.

(16) “MW” means megawatt or megawatts (AC).

(17) “MWH” means MW hour or hours.

(18) “Net metering” means measuring the difference between the electricity supplied to a customer and the electricity fed back by the customer’s net metering system during the customer’s billing period:

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(19) “Net metering system” means a plant for generation of electricity that:

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(20) “New renewable energy” means renewable energy produced by a specific and identifiable plant located within or imported into the ISO-NE control area coming into service on or after January 1, 2010.

(A) Energy from within a system of generating plants that includes renewable energy shall not constitute new renewable energy, regardless of whether the system includes specific plants that came or come into service on or after January 1, 2010.

(B) “New renewable energy” also may include the additional energy from an existing renewable energy plant retrofitted with advanced technologies or otherwise operated, modified, or expanded to increase the kWh output of the plant in excess of an historical baseline established by calculating the average output of that plant for the 10-year period that ended January 1, 2010. If the production of new renewable energy through changes in operations, modification, or expansion involves combustion of the resource, the system also must result in an incrementally higher level of energy conversion efficiency or significantly reduced emissions.

(21) “Plant” means an independent technical facility that generates electricity from renewable energy. A group of facilities, such as wind turbines, shall be considered one plant if the group is part of the same project and uses common equipment and infrastructure such as roads, control facilities, and connections to the electric grid, unless such facilities are located in an Energy Park. Common ownership, contiguity in time of construction, and proximity of facilities to each other shall be relevant to determining whether a group of facilities is part of the same project, unless such facilities are located in an Energy Park. Contiguity in time of planning and construction shall be relevant to determining whether a group of facilities is part of the same project, regardless of whether they are located in an Energy Park. A plant of 15 kW and below located on a

residential property for sole use by the respective residential property owner shall not be considered one plan in conjunction with another facility.

(22) "Plant capacity" means the rated electrical nameplate for a plant, except that, in the case of a solar energy plant, the term shall mean the aggregate AC nameplate capacity of all inverters used to convert the plant's output to AC power.

(23) "Plant owner" means a person who has the right to sell electricity generated by a plant.

(24) "Renewable energy" means energy produced using a technology that relies on a resource that is being consumed at a harvest rate at or below its natural regeneration rate.

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(25)(A) "Renewable pricing" shall mean an optional service provided or contracted for by an electric company:

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(26) "Retail electricity provider" or "provider" means a company engaged in the distribution or sale of electricity directly to the public.

(27) "Standard Offer Facilitator" means an entity appointed by the Commission pursuant to subsection 8005a(a) of this title.

(28) [Repealed.]

(29) "Tradeable renewable energy credits" means all of the environmental attributes associated with a single unit of energy generated by a renewable energy source where:

(A) those attributes are transferred or recorded separately from that unit of energy;

(B) the party claiming ownership of the tradeable renewable energy credits has acquired the exclusive legal ownership of all, and not less than all, the environmental attributes associated with that unit of energy; and

(C) exclusive legal ownership can be verified through an auditable contract path or pursuant to the system established or authorized by the Commission or any program for tracking and verification of the ownership of environmental attributes of energy legally recognized in any state and approved by the Commission.

(30) “Tradeable zero emissions credits” means all of the environmental attributes associated with a single unit of energy generated by a clean energy source where:

(A) those attributes are transferred or recorded separately from that unit of energy;

(B) the party claiming ownership of the tradeable zero emissions credits has acquired the exclusive legal ownership of all, and not less than all, the environmental attributes associated with that unit of energy; and

(C) exclusive legal ownership can be verified through an auditable contract path or pursuant to the system established or authorized by the Commission or any program for tracking and verification of the ownership of environmental attributes of energy legally recognized in any state and approved by the Commission.

(31) “Vermont composite electric utility system” means the combined generation, transmission, and distribution resources along with the combined retail load requirements of the Vermont retail electricity providers.

(32) “Energy transformation project” means an undertaking that provides energy-related goods or services but does not include or consist of the generation of electricity and that results in a net reduction in fossil fuel consumption by the customers of a retail electricity provider and in the emission of greenhouse gases attributable to that consumption. Examples of energy transformation projects may include home weatherization or other thermal energy efficiency measures; air source or geothermal heat pumps; high efficiency heating systems; increased use of biofuels; biomass heating systems; support for transportation demand management strategies; support for electric vehicles or related infrastructure; and infrastructure for the storage of renewable energy on the electric grid.

(33) “RES” means the Renewable Energy Standard established under sections 8004 and 8005 of this title.

(34) “Energy storage facility” has the same meaning as in section 201 of this title.

- **§ 8004. Purchases of electric energy; Clean Energy Standard (CES)**

(a) Expansion; requirements. The Renewable Energy Standard is expanded and becomes a CES. Under this program, a retail electricity provider shall not sell or otherwise provide or offer to sell or provide electricity in the State of Vermont without ownership of sufficient energy produced by clean and renewable energy plants or sufficient tradeable renewable energy and zero emissions credits from plants whose energy is capable of delivery in New England that reflect the required amounts of clean and renewable energy set forth in section 8005 of this title or without support of energy transformation projects in accordance with that section. A retail electricity

provider may meet the required amounts of clean and renewable energy through eligible tradeable renewable energy and zero emissions credits that it owns and retires, eligible clean and renewable energy resources with environmental attributes still attached, or a combination of those credits and resources.

(b) Rules. The Commission shall update the rules that are necessary to allow the Commission and the Department to implement and supervise further the implementation and maintenance of the CES.

(c) RECS and ZECs; banking. The Commission shall allow a provider that has met the required amount of renewable energy in a given year, commencing with 2017, to retain tradeable renewable energy or zero emissions credits created or purchased in excess of that amount for application to the provider's required amount of renewable or clean energy in one of the following three years.

(d) Alternative compliance payment. In lieu of purchasing renewable energy or tradeable renewable energy or zero emissions credits or supporting energy transformation projects to satisfy the requirements of this section and section 8005 of this title, a retail electricity provider in this State may pay to the Vermont Clean Energy Development Fund established under section 8015 of this title an alternative compliance payment at the applicable rate set forth in section 8005.

(e) VPPSA members. In the case of members of the Vermont Public Power Supply Authority, the requirements of this chapter may be met in the aggregate.

(f) Joint efforts. Retail electricity providers may engage in joint efforts to meet one or more categories within the CES.

- **§ 8005. CES categories**

(a) Categories. This section specifies three categories of required resources to meet the requirements of the RES established in section 8004 of this title: total clean energy, new renewable generation, and energy transformation.

(1) Total clean and renewable energy.

(A) Purpose; expansion. To encourage the economic and environmental benefits of clean and renewable energy, this subdivision establishes, for the CES, minimum total amounts of clean energy within the supply portfolio of each retail electricity provider. To satisfy this requirement, a provider may use clean energy generated within New England, or renewable energy with environmental attributes attached or any class of tradeable renewable energy credits generated by any renewable energy plant whose energy is capable of delivery in New England.

(B) Required amounts. The amounts of total clean energy required by this subsection shall be 63 percent of each retail electricity provider's annual

electricity purchases during the year beginning on January 1, 2024, increasing by an additional 6.17 percent each January 1 thereafter, until reaching 100 percent on and after January 1, 2030. The amount of total renewable energy required by this subsection shall be 55 percent of each retail electricity provider's annual electricity purchases during the year beginning on January 1, 2017, increasing by an additional 4% each January 1 thereafter, until reaching 75% on and after January 1, 2032.

(C) Relationship to other categories. New renewable generation used to meet the requirements of subdivision (2) of this subsection (a) shall also count toward the requirements of this subdivision. However, an energy transformation project under subdivision (3) of this subsection shall not count toward the requirements of this subdivision.

(D) Municipal providers; petition. On petition by a provider that is a municipal electric utility serving not more than 7,000 customers, the Commission may reduce the provider's required amount under this subdivision (1) for a period of up to one year. The Commission may approve one such period only for a municipal provider. The Commission may reduce this required amount if it finds that:

(i) the terms or conditions of an environmental permit or certification necessitate a reduction in the electrical energy generated by an in-state hydroelectric facility that the provider owns and that this reduction will require the provider to purchase other renewable energy with environmental attributes attached or tradeable renewable energy credits in order to meet this required amount; and

(ii) this purchase will:

(I) cause the provider to increase significantly its retail rates; or

(II) materially impair the provider's ability to meet the public's need for energy services after safety concerns are addressed, in the manner set forth in subdivision 218c(a)(1) (least-cost integrated planning) of this title.

(2) New renewable generation.

(A) Purpose; establishment. This subdivision establishes a new renewable generation category for the CES. This category encourages the use of new renewable generation to reduce environmental and health impacts from air emissions that would result from using reduce environmental and health impacts from air emissions that would result from using reduce environmental and health impacts from air emissions that would result from using reduce environmental and health impacts from air emissions that would result from using other forms of generation.

(B) Eligible resources. New renewable energy and distributed renewable generation, as defined in 30 V.S.A. § 8002, shall be eligible to meet this category. In addition:

(i) For a retail provider that is a municipal or cooperative electric utility, a hydroelectric or landfill gas renewable energy plant that is owned and operated by the municipal or cooperative electric utility as of January 1, 2024, including any future modifications, shall eligible to meet the distributed renewable generation carveout.

(ii) For a self-managed electric utility, a plant of any size that is located on the property of the self-managed electric utility shall be eligible to meet the distributed renewable generation carveout.

(C) Required amounts. The required amounts of new renewable generation shall be 5.2 percent of each retail electricity provider's annual energy purchases during the year beginning January 1, 2024, increasing by an additional 2.25 percent each subsequent January 1 until reaching 30 percent on and after January 1, 2035. The provisions of this subdivision shall not apply to a retail electricity provider that meets the requirements of subdivision (b)(1) of this section.

(i) Distributed renewable generation carveout. No less than half of the required amounts of new renewable generation shall come from distributed renewable energy plants.

(3) Energy transformation.

(A) Purpose; establishment. This subdivision establishes an energy transformation category for the CES. This category encourages Vermont retail electricity providers to support additional distributed renewable generation or to support other projects to reduce fossil fuel consumed by their customers and the emission of greenhouse gases attributable to that consumption. A retail electricity provider may satisfy the energy transformation requirement through distributed renewable generation in addition to the generation used to satisfy subdivision (2) of this subsection (a) or energy transformation projects or a combination of such generation and projects.

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(4) Alternative compliance rates.

(A) The alternative compliance payment rates for the categories established by this subsection (a) shall be:

(i) total clean and renewable energy requirements — $0.01 per kWh; and

(ii) new renewable generation and energy transformation requirements — $0.06 per kWh.

(b) Reduced amounts; providers; 100 percent renewable.

(1) The provisions of this subsection shall apply to a retail electricity provider that:

(A) as of January 1, 2015, was entitled, through contract, ownership of energy produced by its own generation plants, or both, to an amount of renewable energy equal to or more than 100 percent of its anticipated total retail electric sales in 2017, regardless of whether the provider owned the environmental attributes of that renewable energy; and

(B) annually each July 1 commencing in 2018, owns and has retired tradeable renewable energy credits monitored and traded on the New England Generation Information System or otherwise approved by the Commission equivalent to 100 percent of the provider's total retail sales of electricity for the previous calendar year.

(2) For a provider meeting the requirements of subdivision (1) of this subsection, the new renewable generation requirement only applies to the volume of electricity purchased in excess of a baseline set in Calendar Year 2024. In addition, a provider meeting the requirements of subdivision (1) of this subsection may:

(A) satisfy the distributed renewable generation carveout of this section by accepting net metering systems within its service territory pursuant to the provisions of this title that govern net metering and pursuant to the provisions of this title that govern the Renewable Energy for Communities Program; and

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(c) Biomass.

(1) New renewable generation that employs biomass to produce electricity shall be eligible to count toward a provider's new renewable generation or energy transformation requirement only if the plant produces both electricity and thermal energy from the same biomass fuel and the majority of the energy recovered from the plant is thermal energy.

(2) New renewable generation and energy transformation projects that employ forest biomass to produce energy shall comply with renewability standards adopted by the Commissioner of Forests, Parks and Recreation under 10 V.S.A. § 2751.

§ 8005c. Renewable Energy for Communities Program

(A) Establishment. A Renewable Energy for Communities Program is established. To achieve the goals of section § 8005(a)(2) of this title, retail electricity providers shall issue periodic solicitations for new distributed renewable energy plants that meet the eligibility requirements of § 8005(a)(2), pursuant to rules developed by the Commission.

(B) Eligible resources. Distributed renewable generation and community energy systems, as defined in 30 V.S.A. § 8002, shall be eligible to participate in this program.

(C) Required solicitation amounts. On a schedule to be developed by the Commission, each retail electricity provider with an obligation under § 8005(a)(2) shall issue a solicitation for community energy systems and other distributed generation to benefit communities. The procurement shall be for up to a provider's pro rata share of 80 MW beginning in calendar year 2025 and continuing through 2032. A retail electric provider may issue procurements for more than its annual pro rata share and apply procured energy to future solicitations. Coordinated and jointly issued solicitations shall be encouraged. Each retail electric provider shall review projects in their service territory according to a set of consistent core criteria as approved by the Commission and consistent with the objectives set forth in this subdivision.

(i) 100% renewable energy providers share of the solicitation may be limited by the Commission to an amount equal to the provider's requirement to meet distributed generation with load growth above the baseline year of 2024.

(D) Objectives. It shall be the objective of the Renewable Energy for Communities Program to develop distributed generation at least-cost to ratepayers that is directed by, developed in consultation with, and directly benefits communities by:

(i) Delivering benefits from renewable energy systems to customers who have historically been marginalized or faced inequitable access to the benefits of renewable energy, including environmental justice focus populations as defined by 3 V.S.A. § 6002;

(ii) Supporting community participation in the development and governance of distributed renewable generation; and/or

(iii) Supporting the delivery of benefits to tenants of buildings that are designated as affordable housing; and/or

(iv) Supporting the delivery of benefits to school and municipal owned buildings; and

(v) Advancing other priority issues as identified during program development as detailed under section 8005c(F) of this title.

(E) Program Development. By August 1, 2024 the Department of Public Service shall initiate a process to develop a proposed Renewable Energy for Communities Program structure.

(i) Such a process shall:

(a) Recommend principles to guide the development of community energy systems and other distributed generation to benefit communities and consider whether additional objectives for the program as defined under 8005c(F) are necessary.

(b) Recommend the appropriate method for compensating community energy systems and other distributed generation to benefit communities and methods to minimize cost-shifting to other utility customers. This shall include identification of, and consideration of additional incentives for, specific customers who have previously experienced inequitable access to the benefits of renewable energy, and determine any minimum requirement for those projects procured under this program for serving those specific customers.

(c) Recommend a set of consistent review criteria to be used by all retail electricity providers in solicitations for community energy systems and other distributed generation to benefit communities considering issues such as (but not limited to) community support and/or engagement while developing the proposal, potential for local workforce development and other community benefits to be delivered to the host community, location of the project including whether it is identified as a preferred location in a regional or municipal enhanced energy plan pursuant to 24 V.S.A. 4352, and anticipated generation profile.

Commented [A3]: This provision should show in track changes. Unfortunately Word is not allowing it.

(d) Identify reporting requirements and necessary metrics to monitor how benefits and burdens from the program are distributed across ratepayers.

(e) Consider other issues as identified throughout the process.

(ii) In developing the Renewable Energy for Communities Program, the Department of Public Service shall:

(A) Consult with individuals representing a diverse array of perspectives, including representation from industry, retail electric providers, environmental advocates, state agencies, regional and local governments, and historically underrepresented customer populations.

(B) At minimum, engage with communities identified as environmental justice focus populations under 3 V.S.A. § 6002, municipalities experiencing high energy burden as identified by Efficiency Vermont's 2023 Energy Burden Report, renters, and multifamily affordable housing representatives.

(iii) By no later than April 1, 2025 the Department of Public Service shall publish recommendations for the program structure and petition the Public Utility Commission to open a proceeding to implement the Renewable Energy for Communities Program.

(iv) The Department of Public Service may use its authority under 30 V.S.A §20 and 21 as may be necessary to support engagement and technical analysis necessary to develop the Renewable Energy for Communities Program structure. Funding may be used to support per diem compensation and reimbursement of expenses as permitted under 32 V.S.A. § 1010 for members of the Advisory Group who are not otherwise compensated by their employer.

(3) The Commission shall adopt by rule or Order program design that supports the Renewable Energy for Communities Program substantially informed by the proposal submitted by the Public Service Department.

Commented [A4]: Section 8005b on reporting is deleted from here. Replacement language was added earlier.

- **§ 8006. Tradeable credits; environmental attributes; recognition, monitoring, and disclosure**

(a) The Commission shall amend and expand its system of tradeable renewable energy credits for renewable resources that may be earned by electric generation qualifying for the prior RES to include clean energy generation. The system shall recognize tradeable clean and renewable energy credits monitored and traded on the New England Generation Information System (GIS); shall provide a process for the recognition, approval, and monitoring of environmental attributes attached to clean and renewable energy that are eligible to satisfy the requirements of sections 8004 and 8005 of this title but are not monitored and traded on the GIS; and shall otherwise be consistent with regional practices.

(b) The Commission shall ensure that all electricity provider and provider-affiliate disclosures and representations made with regard to a provider's portfolio are accurate and reasonably supported by objective data. Further, the Commission shall ensure that providers disclose the types of generation used and shall clearly distinguish between energy or tradeable energy credits provided from clean, renewable, and nonrenewable energy sources and existing and new renewable energy. (Added 2005, No. 61, § 4; amended 2011, No. 47, § 18; 2015, No. 56, § 7.)

- **§ 8008. Agreements; attribute revenues; disposition by Commission**

(a) As used in this section, "the revenues" means revenues that are from the sale, through tradeable clean or renewable energy certificates or other means, of environmental attributes associated with the generation of clean and renewable energy from a system of generation resources with a total plant capacity greater than 200 MW and that are received by a Vermont retail electricity provider on or after May 1, 2012, pursuant to an agreement, contract, memorandum of understanding, or other transaction in which a person or entity agrees to transfer such revenues or rights associated with such attributes to the provider.

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- **§ 8010. Self-generation and net metering**

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(c) In accordance with this section, the Commission shall adopt and implement rules that govern the installation and operation of net metering systems.

(1) The rules shall establish and maintain a net metering program that:

(A) advances the goals and total clean energy and new renewable generation requirements of this chapter and the requirements of 10 V.S.A. § 578 (greenhouse gas reduction) and is consistent with the criteria of subsection 248(b) of this title;

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(D) accounts for all costs and benefits of net metering, including the potential for net metering to exacerbate or relieve supply constraints in the transmission and distribution systems and to reduce consumption of fossil fuels for heating, transportation, and resilience;

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(F) the amount of the credit to be assigned to each kWh of electricity generated by a net metering customer in excess of the electricity supplied by the interconnecting provider to the customer, which shall be based on the avoided cost of purchasing other distributed renewable generation in Vermont and the netting interval, the manner in which the customer's credit will be applied on the customer's bill, and the period during which a net metering customer must use the credit, after which the credit shall revert to the interconnecting provider.

(i)
In this subdivision (i), "existing net metering system" means a net metering system for
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"existing net metering system" means a net metering system for which a complete application was filed before XXXXX. (I) Commencing 10 years from the date on which an existing net metering system was installed, the Commission may apply to the system the same rules governing bill credits and the use of those credits on the customer's bill that it applies to net metering systems for which applications were filed on or after XXXX, XXX.

Commented [A5]: This is meant to vest compensation for 10 years for current systems but we need to pick an effective date

(ii) In this subdivision (ii), "pre-existing net metering system" means a net metering system for which a complete application was filed before January 1, 2017.

(I) Commencing 10 years from the date on which a pre-existing net metering system was installed, the Commission may apply to the system the same rules governing bill credits and the use of those credits on the customer's bill that it applies to net metering systems for which applications were filed on or after January 1, 2017, other than any adjustments related to siting and tradeable renewable energy credits.

(II) This subdivision (ii) shall apply to pre-existing net metering systems notwithstanding any contrary provision of 1 V.S.A. § 214 and 2014 Acts and Resolves No. 99, Sec. 10.

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(e) If a hydroelectric generation plant seeking approval as a net metering system is subject to licensing jurisdiction under the Federal Power Act, 16 U.S.C. chapter 12, subchapter 1, the Commission shall require the plant to obtain such approval through means other than by application for a certificate of public good under section 248 of this title.

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Commented [A6]: Section (d) here is deleted, replaced and relevant info covered within Annual Energy Report.

Session Law – Studies

On or before January 15, 2025, the Public Service Department shall submit a report on the issue of costs to integrate an additional 300 MW, 600 MW, and 900 MW of distributed solar on Vermont's distribution and transmission systems, and ways to mitigate those costs, including with load and generation flexibility, battery storage, or other mechanisms.

On or before January 15, 2026, the the Public Service Department shall submit a report on the issue of revising the Clean Energy Standard to account for renewable energy on a more granular basis than annual.

In fiscal year 2025, the amount of $350,000 is appropriated to the Department of Public Service for these reports.