

Some of the



Vermont State Energy Policies

With an emphasis on thermal and GHG reduction issues

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30 VSA § 202a

- **§ 202a. State energy policy**

- It is the general policy of the State of Vermont:

- (1) To ensure to the greatest extent practicable that Vermont can meet its energy service needs in a manner that is adequate, reliable, secure, and sustainable; that ensures affordability and encourages the State's economic vitality, the efficient use of energy resources, and cost-effective demand-side management; and that is environmentally sound.
- (2) To identify and evaluate, on an ongoing basis, resources that will meet Vermont's energy service needs in accordance with the principles of reducing greenhouse gas emissions and least-cost integrated planning, including efficiency, conservation, and load management alternatives; wise use of renewable resources; and environmentally sound energy supply.
- (3) To meet Vermont's energy service needs in a manner that will achieve the greenhouse gas emissions reductions requirements pursuant to 10 V.S.A § 578 and is consistent with the Vermont Climate Action Plan adopted and updated pursuant to 10 V.S.A. § 592.

10 VSA § 578

- **§ 578. Greenhouse gas reduction requirements**
- (a) Greenhouse gas reduction requirements. Vermont shall reduce emissions of greenhouse gases from within the geographical boundaries of the State and those emissions outside the boundaries of the State that are caused by the use of energy in Vermont, as measured and inventoried pursuant to section 582 of this title, by:
 - (1) not less than 26% from 2005 greenhouse gas emissions by January 1, 2025 pursuant to the State's membership in the United States Climate Alliance and commitment to implement policies to achieve the objectives of the 2016 Paris Agreement;
 - (2) not less than 40% from 1990 greenhouse gas emissions by January 1, 2030 pursuant to the State's 2016 Comprehensive Energy Plan; and
 - (3) not less than 80% from 1990 greenhouse gas emissions by January 1, 2050 pursuant to the State's 2016 Comprehensive Energy Plan.

30 VSA § 202

§ 202. Electrical energy planning

- (a) The Department of Public Service, through the Director for Regulated Utility Planning, shall constitute the responsible utility planning agency of the State for the purpose of obtaining for all consumers in the State proper utility service at minimum cost under efficient and economical management consistent with other public policy of the State. The Director shall be responsible for the provision of plans for meeting emerging trends related to electrical energy demand, supply, safety, and conservation.
- (b) The Department, through the Director, shall prepare the Electrical Energy Plan for the State...
- (c) In developing the Plan, the Department shall take into account the protection of public health and safety; preservation of environmental quality; the relevant goals of 24 V.S.A. § 4302; the potential for reduction of rates paid by all retail electricity customers; the potential for reduction of electrical demand through conservation, including alternative utility rate structures; use of load management technologies; efficiency of electrical usage; utilization of waste heat from generation; and utility assistance to consumers in energy conservation.
- (i) It shall be a goal of the Electrical Energy Plan to assure, by 2028, that at least 60 MW of power are generated within the State by combined heat and power (CHP) facilities powered by renewable fuels as defined in section 8002 of this title. In order to meet this goal, the Plan shall include incentives for development and strategies to identify locations in the State that would be suitable for CHP. The Plan shall include strategies to assure the consideration of CHP potential during any process related to the expansion of natural gas services in the State.

30 VSA § 218e

- **§ 218e. Implementing State energy policy; manufacturing**
- To give effect to the policies of section 202a of this title to provide reliable and affordable energy and assure the State's economic vitality, it is critical to retain and recruit manufacturing and other businesses and to consider the impact on manufacturing and other businesses when issuing orders, adopting rules, and making other decisions affecting the cost and reliability of electricity and other fuels. Implementation of the State's energy policy should:
 - (1) encourage recruitment and retention of employers providing high-quality jobs and related economic investment and support the State's economic welfare; and
 - (2) appropriately balance the objectives of this section with the other policy goals and criteria established in this title.

30 VSA § 255

§ 255. Regional coordination to reduce greenhouse gases

(a) Legislative findings. The General Assembly finds:

- (1) There is a growing scientific consensus that the increased anthropogenic emissions of greenhouse gases are enhancing the natural greenhouse effect, resulting in changes in the earth's climate.
- (2) Climate change poses serious potential risks to human health and terrestrial and aquatic ecosystems globally, regionally, and in Vermont.
- (3) A carbon constraint on fossil fuel-fired electricity generation and the development of a CO₂ allowance trading mechanism will create a strong incentive for the creation and deployment of more efficient fuel-burning technologies, renewable resources, and end-use efficiency resources and will lead to lower dependence on imported fossil fuels.
- (4) Absent federal action, a number of states are taking actions to work regionally to reduce power sector carbon emissions.
- (5) Vermont has joined with at least six other states to design the Regional Greenhouse Gas Initiative (RGGI), and, in 2005, Vermont's Governor signed a memorandum of understanding (MOU) signaling Vermont's intention to develop rules and programs to participate in RGGI.
- (6) It is crucial to manage Vermont's implementation of RGGI and its consumption of fossil fuels for residential and commercial heating, and industrial processes, so as to maximize the State's contribution to lowering carbon emissions while:
 - (A) minimizing impacts on electric system reliability and unnecessary costs to Vermont energy consumers; and
 - (B) minimizing the costs and the emissions resulting from the use of petroleum-based fuels for space heating and process heating for residential, commercial, and industrial purposes.
- (7) The accelerated deployment of low-cost process, thermal, and electrical energy efficiency, the strategic use of low- and zero-carbon generation, and the selective use of switching fuel sources are the best means to achieve these goals.
- (8) It is crucial that funds made available from operation of a regional carbon credits cap and trade system be devoted to the benefit of Vermont energy consumers through investments in a strategic portfolio of energy efficiency, weatherization, and low-carbon generation resources.

30 VSA § 8001

- **§ 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) 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.
 - (3) 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.
 - (4) Developing viable markets for renewable energy and energy efficiency projects.
 - (5) 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.
 - (6) 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.
 - (7) 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.
 - (8) 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.

30 VSA § 8004

§ 8004. Sales of electric energy; Renewable Energy Standard (RES)

- (a) Establishment; requirements. The RES is established. 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 renewable energy plants or sufficient tradeable renewable energy credits from plants whose energy is capable of delivery in New England that reflect the required amounts of 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 renewable energy through eligible tradeable renewable energy credits that it owns and retires, eligible renewable energy resources with environmental attributes still attached, or a combination of those credits and resources.

30 VSA § 8005

§ 8005. RES 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 renewable energy, distributed renewable generation, and energy transformation.

- (1) Total renewable energy. (Tier 1)
 - (A) Purpose; establishment. To encourage the economic and environmental benefits of renewable energy, this subdivision establishes, for the RES, minimum total amounts of renewable energy within the supply portfolio of each retail electricity provider. To satisfy this requirement, a provider may use 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- 55% of each utility's annual retail electric sales during the year beginning on January 1, 2017, increasing by an additional 4% each third January 1 thereafter, until reaching 75% on and after January 1, 2032.
- (2) Distributed renewable generation. (Tier 2)
 - (A) Purpose; establishment. This subdivision establishes a distributed renewable generation category for the RES. This category encourages the use of distributed generation to support the reliability of the State's electric system; reduce line losses; contribute to avoiding or deferring improvements to that system necessitated by transmission or distribution constraints; and diversify the size and type of resources connected to that system. This category requires the use of renewable energy for these purposes to reduce environmental and health impacts from air emissions that would result from using other forms of generation.
 - (B) Required amounts. 1% of each utility's annual retail electric sales during the year beginning January 1, 2017, increasing by an additional three-fifths of a percent each subsequent January 1 until reaching 10% on and after January 1, 2032.
- (3) Energy transformation. (Tier 3)
 - (A) Purpose; establishment. This subdivision establishes an energy transformation category for the RES. 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.
 - (B) Required amounts. For the energy transformation category, the required amounts shall be 2% of each utility's annual retail electric sales during the year beginning January 1, 2017, increasing by an additional two-thirds of a percent each subsequent January 1 until reaching 12% on and after January 1, 2032.

10 VSA § 581

§ 581. Building efficiency goals

- It shall be goals of the State:
 - (1) To improve substantially the energy fitness of at least 120,000 housing units and reduce greenhouse gas emissions by 0.15 MMTCO₂e by 2031.
 - (2) To reduce annual fuel needs and fuel bills by an average of 25% in the housing units served.
 - (3) To reduce total fossil fuel consumption across all buildings by an additional one-half percent each year, leading to a total reduction of 6% annually by 2017 and 10% annually by 2025.
 - (4) To save Vermont families and businesses a total of \$1.5 billion on their fuel bills over the lifetimes of the improvements and measures installed between 2008 and 2017.
 - (5) To increase weatherization services to low-income Vermonters by expanding the number of units weatherized or the scope of services provided, or both, as revenue becomes available in the Home Weatherization Assistance Fund.

10 VSA § 580

- **§ 580. 25 by 25 State goal**

- (a) It is a goal of the State, by the year 2025, to produce 25% of the energy consumed within the State through the use of renewable energy sources, particularly from Vermont's farms and forests.
- (b) By no later than January 15, 2009, the Secretary of Agriculture, Food and Markets, in consultation with the Commissioner of Public Service and the Commissioner of Forests, Parks and Recreation, shall present to the Committees on Agriculture and on Natural Resources and Energy of the General Assembly a plan for attaining this goal. Plan updates shall be presented no less frequently than every three years thereafter, and a progress report shall be due annually on January 15.
- (c) By no later than January 15, 2009, the Department of Public Service shall present to the legislative committees on natural resources and energy an updated Comprehensive Energy Plan that shall give due consideration to the public engagement process required under 30 V.S.A. § 254 and under 2006 Acts and Resolves No. 208, Sec. 2. By that time, the Department of Public Service shall incorporate plans adopted under this section into the State Comprehensive Energy Plan adopted under 30 V.S.A. § 202b.