

1 TO THE HOUSE OF REPRESENTATIVES:

2 The Committee on Environment and Energy to which was referred House  
3 Bill No. 289 entitled “An act relating to the Renewable Energy Standard”  
4 respectfully reports that it has considered the same and recommends that the  
5 bill be amended by striking out all after the enacting clause and inserting in  
6 lieu thereof the following:

7 Sec. 1. 30 V.S.A. § 218d is amended to read:

8 § 218d. ALTERNATIVE REGULATION OF ELECTRIC AND NATURAL  
9 GAS COMPANIES

10 \* \* \*

11 (n)(1) Notwithstanding subsection (a) of this section and sections 218, 225,  
12 226, 227, and 229 of this title, a municipal company formed under local charter  
13 or under chapter 79 of this title and an electric cooperative formed under  
14 chapter 81 of this title shall be authorized to change its rates for service to its  
15 customers if the rate change is:

16 (A) applied to all customers equally;

17 (B) not more than ~~two~~ three percent during any twelve-month period;

18 (C) cumulatively not more than 10 percent from the rates last  
19 approved by the Commission; and

20 (D) not going to take effect more than 10 years from the last approval  
21 for a rate change from the Commission.

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Sec. 2. 30 V.S.A. § 8002 is amended to read:

§ 8002. DEFINITIONS

As used in this chapter:

\* \* \*

(8) “Existing renewable energy” means renewable energy produced by a plant that came into service prior to or on ~~June 30, 2015~~ December 31, 2009.

\* \* \*

(10) “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. A system that files a complete application for a certificate of public good on or after January 1, 2026 shall not qualify for group net metering, unless the plant will be located on the same parcel, or a parcel adjacent to, the parcel where the energy is utilized.

\* \* \*

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

4           (A) ~~using~~ Using a single, non-demand meter or ~~such~~ other meter that  
5 would otherwise be applicable to the customer’s usage but for the use of net  
6 metering; ~~or,~~

7           (B) ~~if~~ If the system serves more than one customer, using multiple  
8 meters. The calculation shall be made by converting all meters to a non-  
9 demand, non-time-of-day meter, and equalizing them to the tariffed kWh rate.

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

12           (A) is of ~~no~~ not more than 500 kW capacity;

13           (B) operates in parallel with facilities of the electric distribution  
14 system;

15           (C) is intended primarily to offset the customer’s own electricity  
16 requirements and does not primarily supply electricity to electric vehicle  
17 supply equipment, as defined in section 201 of this title, for the resale of  
18 electricity to the public by the kWh or for other retail sales to the public,  
19 including those based in whole or in part on a flat fee per charging session or a  
20 time-based fee for occupying a parking space while using electric vehicle  
21 supply equipment; ~~and~~

1 (D)(i) employs a renewable energy source; or

2 (ii) is a qualified micro-combined heat and power system of  
3 20 kW or fewer that meets the definition of combined heat and power in  
4 subsection 8015(b) of this title and uses any fuel source that meets air quality  
5 standards; and

6 (E)(i) for a system that files a complete application for a certificate of  
7 public good after December 31, 2024, except for systems as provided for in  
8 subdivision (ii) of this subdivision (E), generates energy that will be used on  
9 the same parcel as, or a parcel adjacent to, the parcel where the plant is located;

10 (ii) for a system that files a complete application for a certificate  
11 of public good after December 31, 2025, if the system serves a multifamily  
12 building containing qualified rental units serving low-income tenants, as  
13 defined under 32 V.S.A. § 5404a(a)(6), generates energy that will be used on  
14 the same parcel as, or a parcel adjacent to, the parcel where the plant is located;  
15 and

16 (iii) for purposes of this subdivisions (10) and (16), two parcels  
17 shall be adjacent if they share a property boundary or are adjacent and  
18 separated only by a river, stream, railroad line, private road, public highway, or  
19 similar intervening landform.

20 (17) “New renewable energy” means renewable energy capable of  
21 delivery in New England and produced by a specific and identifiable plant

1 coming into service on or after ~~June 30, 2015~~ January 1, 2010, but excluding  
2 energy generated by a hydroelectric generation plant with a capacity of  
3 200 MW or greater.

4 (A) Energy from within a system of generating plants that includes  
5 renewable energy shall not constitute new renewable energy, regardless of  
6 whether the system includes specific plants that came or come into service on  
7 or after ~~June 30, 2015~~ January 1, 2010.

8 (B) Except as provided in subdivision 8005(c)(3) of this title, “New  
9 new renewable energy” also ~~may include~~ includes the additional energy from  
10 an existing renewable energy plant retrofitted with advanced technologies or  
11 otherwise operated, modified, or expanded to increase the kWh output of the  
12 plant in excess of ~~an~~ a historical baseline established by calculating the average  
13 output of that plant for the 10-year period that ended ~~June 30, 2015~~ January 1,  
14 2010. If the production of new renewable energy through changes in  
15 operations, modification, or expansion involves combustion of the resource,  
16 the system also must result in an incrementally higher level of energy  
17 conversion efficiency or significantly reduced emissions.

18 \* \* \*

19 (25) “Customer with low income” means a person purchasing energy  
20 from a retail electricity provider and with an income that is less than or equal

1 to 80 percent of area median income, adjusted for family size, as published  
2 annually by the U.S. Department of Housing and Urban Development.

3 \* \* \*

4 (31) “Load” means the total amount of electricity utilized by a retail  
5 electricity provider over a 12-month calendar year period, including its retail  
6 electric sales, any use by the provider itself not included in retail sales, and  
7 transmission and distribution line losses associated with and allocated to the  
8 retail electricity provider.

9 (32) “Load growth” means the increase above a baseline year in a retail  
10 electricity provider’s load.

11 Sec. 3. 30 V.S.A. § 8004 is amended to read:

12 § 8004. SALES OF ELECTRIC ENERGY; RENEWABLE ENERGY  
13 STANDARD (RES)

14 \* \* \*

15 (d) Alternative compliance payment. In lieu of purchasing renewable  
16 energy or tradeable renewable energy credits or supporting energy  
17 transformation projects to satisfy the requirements of this section and section  
18 8005 of this title, a retail electricity provider in this State may pay to the  
19 Vermont Clean Energy Development Fund established under section 8015 of  
20 this title an alternative compliance payment at the applicable rate set forth in  
21 section 8005. The administrator of the Vermont Clean Energy Development

1 Fund shall use the payment from a retail electricity provider electing to make  
2 an alternative compliance payment to satisfy its obligations under subdivisions  
3 8005(a)(1), 8005(a)(2), 8005(a)(4), and 8005(a)(5) of this title for the  
4 development of renewable energy plants that are intended to serve and benefit  
5 customers with low income of the retail electricity provider that has made the  
6 payment. Such plants shall be located within the provider’s service territory, if  
7 feasible. In the event that such a payment is insufficient to enable the  
8 development of a renewable energy plant, the administrator may use the  
9 payment for other initiatives allowed under section 8015 of this title that will  
10 benefit customers with low income of the retail electricity provider that has  
11 made the payment.

12 \* \* \*

13 Sec. 4. 30 V.S.A. § 8005 is amended to read:

14 § 8005. RES CATEGORIES

15 (a) Categories. This section specifies ~~three~~ five categories of required  
16 resources to meet the requirements of the RES established in section 8004 of  
17 this title: total renewable energy, distributed renewable generation, ~~and~~ energy  
18 transformation, new renewable energy, and load growth renewable energy. In  
19 order to support progress toward Vermont’s climate goals and requirements, a  
20 provider may, but shall not be required to, exceed the statutorily required  
21 amounts under this section.

1 (1) Total renewable energy.

2 \* \* \*

3 (B) Required amounts. The amounts of total renewable energy  
4 required by this subsection (a) shall be ~~55~~ 63 percent of each retail electricity  
5 provider's annual ~~retail electric sales~~ load during the year beginning on  
6 January 1, ~~2017~~ 2025, increasing by at least an additional four percent each  
7 third January 1 thereafter; until reaching ~~75~~ 100 percent;

8 (i) on and after January 1, ~~2032~~ 2035 for a retail electricity  
9 provider who serves a single customer that takes service at 115 kilovolts and  
10 each municipal retail electricity provider formed under local charter or chapter  
11 79 of this title; and

12 (ii) on and after January 1, 2030, for all other retail electricity  
13 providers.

14 (C) Relationship to other categories. Distributed renewable  
15 generation used to meet the requirements of subdivision (2) of this subsection  
16 (a), new renewable energy under subdivision (4) of this subsection (a), and  
17 load growth renewable generation under subdivision (5) of this subsection (a)  
18 shall also count toward the requirements of this subdivision. However, an  
19 energy transformation project under subdivision (3) of this subsection (a) shall  
20 not count toward the requirements of this subdivision.





1                    (III) a hydroelectric renewable energy plant that is, on or before  
2                    January 1, 2024, owned and operated by a retail electricity provider that is not  
3                    a municipal electric utility, provided such plant is and continues to be certified  
4                    by the Low Impact Hydropower Institute. Plants owned by such utilities on or  
5                    before January 1, 2024, which are later certified by the Low Impact  
6                    Hydropower Institute, and continue to be certified shall be eligible under this  
7                    subdivision (2) from the date of certification. Any future modifications that do  
8                    not cause the capacity of such a plant to exceed five MW shall also be eligible  
9                    under this subdivision (2); and

10                    (iii) Is one of the following:

11                    (I) is directly connected to the subtransmission or distribution  
12                    system of a Vermont retail electricity provider; ~~or~~

13                    (II) is directly connected to the transmission system of an  
14                    electric company required to submit a Transmission System Plan under  
15                    subsection 218c(d) of this title, if the plant is part of a plan approved by the  
16                    Commission to avoid or defer a transmission system improvement needed to  
17                    address a transmission system reliability deficiency identified and analyzed in  
18                    that Plan; or

19                    ~~(ii)~~(III) is a net metering system approved under the former  
20                    section 219a or under section 8010 of this title if the system is new renewable

1 energy and the interconnecting retail electricity provider owns and retires the  
2 system's environmental attributes.

3 (C) Required amounts. The required amounts of distributed  
4 renewable generation shall be ~~one~~ 5.8 percent of each retail electricity  
5 provider's annual ~~retail electric sales~~ load during the year beginning on  
6 January 1, 2017, increasing by an additional three fifths of a percent 2025,  
7 increasing by at least an additional:

8 (i) one and a half percent each subsequent January 1 until reaching  
9 40 20 percent on and after January 1, 2035 for a retail electricity provider who  
10 serves a single customer that takes service at 115 kilovolts and each municipal  
11 electric utility formed under local charter or chapter 79 of this title; and

12 (ii) two percent each subsequent January 1 until reaching 20  
13 percent on and after January 1, 2032 for all other retail electricity providers.

14 (D) Distributed generation greater than five MW. On petition of a  
15 retail electricity provider, the Commission may for a given year allow the  
16 provider to employ energy with environmental attributes attached or tradeable  
17 renewable energy credits from a renewable energy plant with a plant capacity  
18 greater than five MW to satisfy the distributed renewable generation  
19 requirement if the plant would qualify as distributed renewable generation but  
20 for its plant capacity ~~and~~ when the provider demonstrates either that:



1 (B) Required amounts. For the energy transformation category, the  
2 required amounts shall be ~~two~~ 7.33 percent of each retail electricity provider's  
3 annual ~~retail electric sales~~ load during the year beginning January 1, ~~2017~~  
4 2025, increasing by at least an additional two-thirds of a percent each  
5 subsequent January 1 until reaching 12 percent on and after January 1, 2032.  
6 However, in the case of a provider that is a municipal electric utility serving  
7 not more than ~~6,000~~ 7,000 customers, the required amount shall be ~~two~~ six  
8 percent of the provider's ~~annual retail sales~~ load beginning on January 1, ~~2019~~  
9 2025, increasing by an additional two-thirds of a percent each subsequent  
10 January 1 until reaching 10 and two-thirds percent on and after January 1,  
11 2032. Prior to January 1, 2019, such a municipal electric utility voluntarily  
12 may engage in one or more energy transformation projects in accordance with  
13 this subdivision (3). In order to support progress toward Vermont's climate  
14 goals and requirements, a retail electricity provider may, but shall not be  
15 required to, exceed the statutorily required amounts, up to and including  
16 procuring all available energy transformation category projects and measures  
17 available at or below the relevant alternative compliance payment rate.

18 \* \* \*

19 (4) New renewable energy.

20 (A) Purpose; establishment. This subdivision (4) establishes a new  
21 regional renewable energy category for the RES. This category encourages the

1 use of new renewable generation to support the reliability of the regional ISO-  
2 NE electric system. To satisfy this requirement, a provider shall use new  
3 renewable energy with environmental attributes attached or any class of  
4 tradeable renewable energy credits generated by any renewable energy plant  
5 coming into service after January 1, 2010 whose energy is capable of delivery  
6 in New England.

7 (B) Required amounts and exemption. A retail electricity provider  
8 that is 100 percent renewable under subdivision (b)(1) of this section shall be  
9 exempt from any requirement for new renewable energy under this  
10 subdivision (4). For all other retail electricity providers, the amount of new  
11 renewable energy required by this subsection (a) shall be:

12 (i) For a retail electricity provider with 75,000 or more customers,  
13 the following percentages of each provider's annual load:

14 (I) Four percent beginning on January 1, 2027.

15 (II) 10 percent on and after January 1, 2030.

16 (III) 15 percent on and after January 1, 2032.

17 (IV) 20 percent on and after January 1, 2035. If the

18 Commission determines in the report required under subdivision 8005b(b)(4)  
19 of this title that it is reasonable to expect that there will be sufficient new  
20 regional renewable resources available for a provider to meet its requirement  
21 under this subdivision (4) at or below the alternative compliance payment rate

1 established in subdivision (6)(C) of this subsection (a) during a year beginning  
2 prior to January 1, 2035, the Commission shall require that provider to meet its  
3 requirement under this subdivision (4) in the earliest year the Commission  
4 determines it can, provided that the provider shall not be required to meet that  
5 requirement prior to the year starting January 1, 2032.

6 (ii) For a retail electricity provider with less than 75,000  
7 customers, the following percentages of each provider's annual load:

8 (I) five percent beginning on January 1, 2030; and

9 (II) 10 percent on and after January 1, 2035.

10 (C) Relationship to other categories. Distributed renewable  
11 generation used to meet the requirements of subdivision (2) of this subsection  
12 (a) shall not also count toward the requirements of this subdivision (4). An  
13 energy transformation project under subdivision (3) of this subsection (a) shall  
14 not count toward the requirements of this subdivision (4).

15 (D) Single-customer provider. If a retail electricity provider with one  
16 customer taking service at 115 kilovolts has not satisfied the distributed  
17 renewable generation requirements of subdivision (2) of this subsection (a) on  
18 property owned or controlled by the customer as of January 1, 2024, and the  
19 cost of additional distributed renewable generation would be at or above the  
20 alternative compliance payment rate for the distributed renewable generation  
21 category or meeting that requirement with new renewable energy on its

1 property would be economically infeasible, that provider may satisfy the  
2 requirements of subdivision (2) of this subsection (a) with an equivalent  
3 amount of increased new renewable energy as defined in this subdivision (4).

4 (5) Load growth; retail electricity providers; 100 percent renewable.

5 (A) For any retail electricity provider that is 100 percent renewable  
6 under subdivision (b)(1) of this section, that provider shall meet its load growth  
7 above its 2024 calendar year load, with at least the following percentages of  
8 new renewable energy or any renewable energy eligible under subdivision (2)  
9 of this subsection (a):

10 (i) 50 percent beginning on January 1, 2025;

11 (ii) 75 percent on and after January 1, 2026;

12 (iii) 90 percent on and after January 1, 2027;

13 (iv) 100 percent on and after January 1, 2028 until the provider's  
14 annual load exceeds 135 percent of the provider's 2022 annual load, at which  
15 point the provider shall meet its additional load growth with at least 50 percent  
16 new renewable energy until 2035; and

17 (v) 75 percent on and after January 1, 2035.

18 (B) For a retail electricity provider with 75,000 or more customers,  
19 and for each provider, excluding any provider that is 100 percent renewable  
20 under subdivision (b)(1) of this section, that is a member of the Vermont  
21 Public Power Supply Authority or its successor, that provider shall meet its



1 load growth above its 2035 calendar year load with 100 percent new renewable  
2 energy, which shall include the required amounts of distributed renewable  
3 generation as applicable to the provider under subdivision (2) of this  
4 subsection (a).

5 (C) On petition of a retail electricity provider subject to the load  
6 growth requirements in subdivision (A) of this subdivision (a)(5), the  
7 Commission may for a given year allow the provider to employ existing  
8 renewable energy with environmental attributes attached or tradeable  
9 renewable energy credits from an existing renewable energy plant to satisfy  
10 part or all of the load growth requirement if the provider demonstrates that,  
11 after making every reasonable effort, it is unable during that year to meet the  
12 requirement with energy with environmental attributes attached or tradeable  
13 renewable energy credits from qualifying new renewable energy plants.

14 (i) To demonstrate this inability, the provider shall at a minimum  
15 timely issue one or more subsequent requests for proposals or transactions and  
16 any additional solicitations as necessary to show that it is unable to obtain  
17 sufficient ownership of environmental attributes from new renewable energy to  
18 meet its required amount under this subdivision at a cost that is less than or  
19 equal to the applicable alternative compliance rate for the load growth  
20 category.

1           (ii) In the event the provider is able to meet a portion, but not all,  
2           of its load growth requirement in a calendar year with attributes from new  
3           renewable energy at a cost that is less than or equal to the applicable  
4           alternative compliance rate for the load growth category, the Commission shall  
5           allow the provider to use existing renewables only for that portion of its  
6           requirement that it is unable to meet with new renewable energy.

7           (iii) In the event that the provider is unable to meet its load growth  
8           requirement with a combination of attributes from new renewable energy and  
9           existing renewable energy at a cost that is less than or equal to the alternative  
10           compliance rate laid out in subdivision (6) in this subsection (a), the  
11           Commission shall require the provider to meet the remainder of its requirement  
12           under this subdivision (5) by paying the alternative compliance rate for the  
13           load growth category.

14           (D) Notwithstanding any provision of law to the contrary, any  
15           additional energy available to a retail electricity provider that is 100 percent  
16           renewable under subdivision (b)(1) of this section under agreements approved  
17           or authorized by the Public Utility Commission in its April 15, 2011 Order  
18           issued in Docket No. 7670, Petition of twenty Vermont utilities and Vermont  
19           Public Power Supply Authority requesting authorization for the purchase of  
20           218 MW to 225 MW of electricity shall also be eligible to meet the  
21           requirements laid out in subdivision (A) of this subdivision (a)(5), provided

1 that such additional energy does not exceed two MW, and further provided that  
2 a retail electricity provider exercises its right to such energy on or before  
3 January 1, 2028 and for no longer than through December 31, 2038.

4 (6) Alternative compliance rates.

5 (A) The alternative compliance payment rates for the categories  
6 established by subdivisions (1)–(3) of this subsection (a) shall be:

7 (i) total renewable energy requirement — \$0.01 per kWh; and

8 (ii) distributed renewable generation and energy transformation  
9 requirements — \$0.06 per kWh.

10 (B) The Commission shall adjust these rates for inflation annually  
11 commencing January 1, 2018, using the CPI.

12 (C) For the new renewable energy and load growth requirements, it  
13 shall be \$0.04 per kWh annually commencing on January 1, 2025, with  
14 calculations for inflation beginning on January 1, 2023.

15 (D) The Commission shall have the authority to adjust the alternative  
16 compliance payment rate for the new renewable energy and load growth  
17 requirements differently than the rate of inflation in order to minimize  
18 discrepancies between this rate and alternative compliance payments for  
19 similar classes in other New England states and to increase the likelihood that  
20 Vermont retail electricity providers cost-effectively achieve these

1 requirements, if it determines doing so is consistent with State energy policy  
2 under section 202a of this title.

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

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

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

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

16 \* \* \*

17 (c) Biomass.

18 (1) Distributed renewable generation that employs biomass to produce  
19 electricity shall be eligible to count toward a provider's distributed renewable  
20 generation or energy transformation requirement only if the plant satisfies the  
21 requirements of subdivision (3) of this subsection and produces both electricity

1 and thermal energy from the same biomass fuel and the majority of the energy  
2 recovered from the plant is thermal energy.

3 (2) Distributed renewable generation and energy transformation projects  
4 that employ forest biomass to produce energy shall comply with renewability  
5 standards adopted by the Commissioner of Forests, Parks and Recreation under  
6 10 V.S.A. § 2751. Energy transformation projects that use wood feedstock,  
7 except for noncommercial applications, that are eligible at the time of project  
8 commissioning to meet the renewability standards adopted by the  
9 Commissioner of Forests, Parks and Recreation do not lose eligibility due to a  
10 subsequent change in the renewability standards after the project  
11 commissioning date.

12 (3) No new wood biomass electricity generation facility or wood  
13 biomass combined heat and power facility coming into service after January 1,  
14 2023 shall be eligible to satisfy any requirements of this section and section  
15 8004 of this title unless that facility achieves 60 percent overall efficiency and  
16 at least a 50 percent net lifecycle greenhouse gas emissions reduction relative  
17 to the lifecycle emissions from the combined operation of a new combined-  
18 cycle natural gas plant using the most efficient commercially available  
19 technology. Any energy generation using wood feedstock from an existing  
20 wood biomass electric generation facility placed in service prior to January 1,  
21 2023 remains eligible to satisfy any requirements of this section and section

1 8004 of this title. Changes to wood biomass electric facilities that were placed  
2 in service prior to January 1, 2023, including converting to a combined heat  
3 and power facility, adding or modifying a district energy system, replacing  
4 electric generation equipment, or repowering the facility with updated or  
5 different electric generation technologies, do not change the in service date for  
6 the facility, or affect its eligibility to satisfy the requirements of this section  
7 and section 8004 of this title, or qualify it as new renewable energy.

8 (d) Hydropower. A hydroelectric renewable energy plant, that is not  
9 owned by a retail electricity provider, shall be eligible to satisfy the distributed  
10 renewable generation or energy transformation requirement only if, in addition  
11 to meeting the definition of distributed renewable generation, the plant:

12 (1) is and continues to be certified by the Low-impact Hydropower  
13 Institute; or

14 (2) after January 1, 1987, received a water quality certification pursuant  
15 to 33 U.S.C. § 1341 from the Agency of Natural Resources.

16 (e) Nothing in this subdivision is intended to relieve, modify, or in any  
17 manner affect a renewable energy plant's on-going obligation to not have an  
18 undue adverse effect on air and water purity, the natural environment and the  
19 use of natural resources, and to comply with required environmental laws and  
20 rules.

1 Sec. 5. 30 V.S.A. § 8005b is amended to read:

2 § 8005b. RENEWABLE ENERGY PROGRAMS; REPORTS

3 (a) The Department shall file reports with the General Assembly in  
4 accordance with this section.

5 (1) The House Committees on Commerce and Economic Development  
6 and on Environment and Energy ~~and Technology~~ and the Senate Committees  
7 on Economic Development, Housing and General Affairs, on Finance, and on  
8 Natural Resources and Energy each shall receive a copy of these reports.

9 \* \* \*

10 (b) The annual report under this section shall include at least each of the  
11 following:

12 (1) An assessment of the costs and benefits of the RES based on the  
13 most current available data, including rate and economic impacts, customer  
14 savings, technology deployment, greenhouse gas emission reductions actually  
15 achieved, fuel price stability, effect on transmission and distribution upgrade  
16 costs, and any recommended changes based on this assessment.

17 (2) Projections, looking at least 10 years ahead, of the impacts of the  
18 RES.

19 (A) The Department shall employ an economic model to make these  
20 projections, to be known as the Consolidated RES Model, and shall consider at  
21 least three scenarios based on high, mid-range, and low energy price forecasts.

1 (B) The Department shall make the model and associated documents  
2 available on the Department’s website.

3 (C) In preparing these projections, the Department shall:

4 (i) characterize each of the model’s assumptions according to level  
5 of certainty, with the levels being high, medium, and low; and

6 (ii) provide an opportunity for public comment.

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

12 (3) An assessment of whether the requirements of the RES have been  
13 met to date, and any recommended changes needed to achieve those  
14 requirements.

15 (4) In addition to the information in subdivisions (1) through (3) of this  
16 subsection prepared by the Department, for the annual report due in 2029, the  
17 Commission as shall issue a report on whether it is reasonable to expect that  
18 there will be sufficient new regional renewable resources available for a retail  
19 electricity provider with 75,000 or more customers to meet its requirement  
20 under subdivision 8005(a)(4)(B)(i)(IV) of this title at or below the alternative  
21 compliance payment rate for the new renewable generation category of section



1 8005 of this title during the year beginning on January 1, 2032, or during the  
2 years beginning on January 1, 2033 or January 1, 2034. The Commission shall  
3 not be required to issue this report in a contested case under 3 V.S.A. chapter  
4 25 but shall conduct a proceeding on the issue with opportunities for  
5 participation by the retail electricity providers, Vermont Public Power Supply  
6 Authority, Renewable Energy Vermont, and other members of the public.  
7 Notwithstanding the timeline specified in subdivision 202b(e)(1) of this title,  
8 the Commission shall file this annual report on or before December 15, 2028.

9 \* \* \*

10 Sec. 6. 30 V.S.A. § 8006a is amended to read:

11 § 8006a. GREENHOUSE GAS REDUCTION CREDITS

12 (a) Standard offer adjustment. In accordance with this section, greenhouse  
13 gas reduction credits generated by an eligible ratepayer shall result in an  
14 adjustment of the standard offer under subdivision 8005a(c)(1) of this title  
15 (cumulative capacity; pace) or may be utilized by a retail electricity provider  
16 that serves a single customer that takes service at 115 kilovolts to meet the  
17 energy transformation requirements under subdivision 8005(a)(3)(D) of this  
18 title. For the purpose of adjusting the standard offer under subdivision  
19 8005a(c)(1) of this title or energy transformation requirements under  
20 subdivision 8005(a)(3)(D) of this title, the amount of a year's greenhouse gas  
21 reduction credits shall be the lesser of the following:

1           (1) The amount of greenhouse gas reduction credits created by ~~the~~ an  
2 eligible ~~ratepayers~~ ratepayer served by ~~all providers~~ an eligible provider.

3           (2) The ~~providers'~~ eligible provider's annual ~~retail electric sales load~~  
4 during that year to those eligible ratepayers creating greenhouse gas reduction  
5 credits.

6           (b) Definitions. ~~In~~ As used in this section:

7           (1) “Eligible ratepayer” means a customer of a Vermont retail electricity  
8 provider who takes service at 115 kilovolts and has demonstrated to the  
9 Commission that it has a comprehensive energy and environmental  
10 management program. Provision of the customer’s certification issued under  
11 standard 14001 (environmental management systems) of the International  
12 Organization for Standardization (ISO) shall constitute such a demonstration.

13           (2) “Eligible provider” means a Vermont retail electricity provider who  
14 serves a single customer that takes service at 115 kilovolts.

15           (3) “Eligible reduction” means a reduction in non-energy-related  
16 greenhouse gas emissions from manufacturing processes at an in-state facility  
17 of an eligible ratepayer, provided that each of the following applies:

18           (A) The reduction results from a specific project undertaken by the  
19 eligible ratepayer at the in-state facility after January 1, ~~2012~~ 2023.

1 (B) The specific project reduces or avoids greenhouse gas emissions  
2 above and beyond any reductions of such emissions required by federal and  
3 State statutes and rules.

4 (C) The reductions are quantifiable and verified by an independent  
5 third party as approved by the Agency of Natural Resources and the  
6 Commission. Such independent third parties shall be certified by a body  
7 accredited by the American National Standards Institute (ANSI) as having a  
8 certification program that meets the ISO standards applicable to verification  
9 and validation of greenhouse gas assertions. The independent third party shall  
10 use methodologies specified under 40 C.F.R. part 98 and U.S. Environmental  
11 Protection Agency greenhouse gas emissions factors and global warming  
12 potential figures to quantify and verify reductions in all cases where those  
13 factors and figures are available.

14 ~~(3)~~(4) “Greenhouse gas” ~~shall be as defined under~~ has the same meaning  
15 as in 10 V.S.A. § 552.

16 ~~(4)~~(5) “Greenhouse gas reduction credit” means a credit for eligible  
17 reductions, calculated in accordance with subsection (c) of this section and  
18 expressed as a ~~kWh~~ credit eligible under subdivision 8005a(c)(1) of this title,  
19 or as a credit eligible under subdivision 8005(a)(3)(D) of this title.

20 (c) Calculation. Greenhouse gas reduction credits shall be calculated as  
21 follows:

1           (1) Eligible reductions shall be quantified in metric tons of CO<sub>2</sub>  
2 equivalent, in accordance with the methodologies specified under 40 C.F.R.  
3 part 98, and using U.S. Environmental Protection Agency greenhouse gas  
4 emissions factors and global warming potential figures, and ~~may~~ shall be  
5 counted annually for the life of the specific project that resulted in the  
6 reduction. A project that converts a gas with a high global warming potential  
7 into a gas with relatively lower global warming potential shall be eligible if the  
8 conversion produces a CO<sub>2</sub> equivalent reduction on an annual basis.

9           (2) Metric tons of CO<sub>2</sub> equivalent quantified under subdivision (1) of  
10 this subsection shall be converted into units of energy through calculation of  
11 the equivalent number of kWh of generation by renewable energy plants, other  
12 than biomass, that would be required to achieve the same level of greenhouse  
13 gas emission reduction through the displacement of market power purchases.  
14 For the purpose of this subdivision, the value of the avoided greenhouse gas  
15 emissions shall be based on the aggregate greenhouse gas emission  
16 characteristics of system power in the regional transmission area overseen by  
17 the Independent System Operator of New England (ISO-NE).

18           (d) Reporting. An eligible ~~ratepayer~~ provider shall report to the  
19 Commission annually on each specific project undertaken by an eligible  
20 ratepayer to create eligible reductions. The Commission shall specify the  
21 required contents of such reports, which shall be publicly available.





1           (i) ~~When assigning an amount of credit under this subdivision (F),~~  
2 ~~the Commission shall consider making multiple lengths of time available over~~  
3 ~~which a customer may take a credit and differentiating the amount according to~~  
4 ~~the length of time chosen. For example, a monthly credit amount may be~~  
5 ~~higher if taken over 10 years and lower if taken over 20 years. Factors relevant~~  
6 ~~to this consideration shall include the customer’s ability to finance the net~~  
7 ~~metering system, the cost of that financing, and the net present value to all~~  
8 ~~ratepayers of the net metering program. [Repealed.]~~

9           (ii) ~~In~~ As used in this subdivision (ii), “existing net metering  
10 system” means a net metering system for which a complete application was  
11 filed before January 1, 2017.

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

18           (II) A provider with fewer than 75,000 customers, including  
19 one that is 100 percent renewable under subdivision 8005(b)(1) of this title,  
20 may apply the amount of excess generation, as defined in the Commission’s

1 rules, from existing net metering systems, to reduce the provider’s statutory  
2 requirements under subdivision 8005(a)(2) of this title.

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

6 (3) The rules shall establish standards and procedures governing  
7 application for and issuance or revocation of a certificate of public good for net  
8 metering systems under the provisions of section 248 of this title. In  
9 establishing these standards and procedures:

10 \* \* \*

11 (C) The rules shall seek to simplify the application and review  
12 process as appropriate, including simplifying the application and review  
13 process to encourage group net metering systems when the system is at least 50  
14 percent owned by the customers who receive the bill credits for the electricity  
15 generated by the system.

16 \* \* \*

17 Sec. 8. 30 V.S.A. § 202b is amended to read:

18 § 202b. STATE COMPREHENSIVE ENERGY PLAN

19 \* \* \*

20 (b) In developing or updating the Plan’s recommendations, the Department  
21 of Public Service shall seek public comment by holding public hearings in at



1 least five different geographic regions of the State on at least three different  
2 dates, and by providing and maintaining notice ~~through publication once a~~  
3 ~~week and at least seven days apart for two or more successive weeks in a~~  
4 ~~newspaper or newspapers of general circulation in the regions where the~~  
5 ~~hearings will be held, and by delivering notices to all licensed commercial~~  
6 ~~radio and television stations with transmitting facilities within the State, plus~~  
7 ~~Vermont Public Radio and Vermont Educational Television on the~~  
8 Department's website for at least 21 days before the day of each hearing and  
9 providing and maintaining reasonable notice consistent with best practices for  
10 public engagement. The notice shall include an internet address where more  
11 information regarding the hearings may be viewed.

12 \* \* \*

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

1 (1) The Commissioner shall file the report on or before January 15 of  
2 each year, commencing in 2019. The provisions of 2 V.S.A. § 20(d) shall not  
3 apply to this report.

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

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

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

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

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

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

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

17 (6) The report shall include a summary of the following information for  
18 each sector:

19 (A) major changes in relevant markets, technologies, and costs;

20 (B) average Vermont prices compared to the other New England  
21 states, based on the most recent available data; and

1           (C) significant Vermont and federal incentive programs that are  
2 relevant to one or more of the sectors.

3           (7) The report shall include the following information on progress  
4 toward meeting the Renewable Energy Standard (RES):

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

11           (i) For the most recent calendar year for which data is available,  
12 each retail electricity provider's retail sales and load, in MWh; required  
13 amounts of renewable energy for each category of the RES as set forth in  
14 section 8005 of this title; and amounts of renewable energy and tradeable  
15 renewable energy credits eligible to satisfy the requirements of sections 8004  
16 and 8005 of this title actually owned by the Vermont retail electricity  
17 providers, expressed as a percentage of retail sales and total load.

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

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

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

8                   (B) Projections, looking at least 10 years ahead, of the impacts of the  
9                   RES.

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

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

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

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

4            ~~(7)~~(8) The report shall include any activity that occurs under the  
5 Vermont Small Hydropower Assistance Program, the Vermont Village Green  
6 Program, and the Fuel Efficiency Fund.

7            Sec. 9. REPORT

8            On or before January 15, 2025, the Department of Public Service, after  
9 consultation with the Public Utility Commission, the Vermont Housing  
10 Finance Agency, Vermont Housing and Conservation Board, Evernorth, Green  
11 Mountain Power, Vermont Electric Cooperative, the Vermont Public Power  
12 Supply Authority, other electric utilities that wish to participate, and the Office  
13 of Racial Equity, shall submit a report to the House Committee on  
14 Environment and Energy and the Senate Committee on Natural Resources and  
15 Energy. The goal of this report is to develop a replacement program for group  
16 net metering to reduce operating costs, reduce resident energy burdens, and  
17 encourage electrification and decarbonization of buildings and enhance the  
18 financial capacity of housing providers to electrify the buildings developed or  
19 rehabilitated and provide relief to residents of manufactured home  
20 communities from their energy burdens. This report shall:

1           (1) Discuss and prioritize recommendations for replacement programs  
2 based on how they would impact Vermont’s impacted and frontline  
3 communities and identify opportunities for these communities to benefit from  
4 investments in renewables to adapt to climate and economic change within the  
5 framework of a replacement of the net-metering program.

6           (2) Discuss current programs electric utilities have in place to serve  
7 income-eligible customers.

8           (3) Discuss progress affordable housing funders and developers have  
9 made to date in connecting projects with solar resources, as well as any  
10 barriers to this, and the comparison to the availability and cost of net metering  
11 on single-family dwelling units.

12           (4) List funding sources available for solar and other energy-related  
13 projects benefiting affordable housing and customers with low-income,  
14 including if it is federal or time-limited.

15           (5) Propose comparable successor programs to group net-metering for  
16 connecting affordable housing developments and income-eligible residents of  
17 manufactured home communities with solar projects in order to reduce  
18 operating costs, reduce resident energy burdens, and encourage electrification  
19 and decarbonization of buildings. Programs that meet the intent of this section  
20 shall include the following:

1           (A) a process to bring additional solar or other renewable energy  
2           projects online that could be owned by affordable housing developers;

3           (B) a process to enroll eligible customers, including property owners  
4           of qualified rental units; and

5           (C) if connecting directly to customers, a bill credit process to  
6           allocate a customer’s kWh solar share on a monthly basis.

7           Sec. 10. EFFECTIVE DATE

8           This act shall take effect on July 1, 2024.

9

10

11

12           (Committee vote: \_\_\_\_\_)

13

\_\_\_\_\_

14

Representative \_\_\_\_\_

15

FOR THE COMMITTEE