Alternative version from Sen. Pearson to present to Sen. Finance on 3/9/20. Compared to version 4/draft 4 (which incorporated the Committee's decisions from 2/26/20) this creates a new Tier II sub-tier and makes other changes.

TO THE HONORABLE SENATE:

The Committee on Finance to which was referred Senate Bill No. 267 entitled "An act relating to the Renewable Energy Standard" respectfully reports that it has considered the same and recommends that the bill be amended by striking out all after the enacting clause and inserting in lieu thereof the following:

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

§ 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.

* * *

(B) Required amounts. The amounts of total renewable energy required by this subsection shall be ~~55~~ 59 percent of each retail electricity provider's annual retail electric sales during the year beginning on January 1, ~~2017~~ 2020, increasing by an additional ~~four~~ 8.2 percent each ~~third~~ second

January 1 thereafter~~,~~ until reaching ~~75~~ 100 percent on and after January 1, ~~2032~~ 2030.

* * *

(2) Distributed renewable generation.

* * *

(B) Definition. As used in this section, "distributed renewable generation" means one of the following:

(i) a renewable energy plant that is new renewable energy; has a plant capacity of five MW or less; and

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

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

(ii) a net metering system approved under the former section 219a or under section 8010 of this title if the system is new renewable energy and the interconnecting retail electricity provider owns and retires the system's environmental attributes; or

(iii) a hydroelectric renewable energy plant that has a plant capacity of five MW or less and is owned and operated by a retail electricity provider that is a municipal electric utility as of January 1, 2020, including any future modifications.

(C) Required amounts.

(i) The required amounts of distributed renewable generation shall be one percent of each retail electricity provider's annual retail electric sales during the year beginning on January 1, 2017, increasing by an additional three-fifths of a percent each subsequent January 1 until reaching 10 percent on and after January 1, 2032.

(ii) In addition to the required amounts of distributed renewable generation pursuant to subdivision (i) of this subdivision (C), the required amounts of distributed renewable generation shall be an additional one percent of each retail electricity provider's annual retail electric sales during the year beginning on January 1, 2023, increasing by an additional one percent each subsequent January 1 until reaching 10 percent on and after January 1, 2032. This distributed renewable generation shall use technologies, including storage, that maximize grid resilience and shall be located in a manner that maximizes grid efficiency.

(D) ~~Distributed~~ Petitions to employ distributed generation greater than five MW or other renewable generation.

(i) On petition of a retail electricity provider, the Commission may for a given year allow the provider to employ energy with environmental attributes attached or tradeable renewable energy credits from a renewable energy plant with a plant capacity greater than five MW to satisfy the distributed renewable generation ~~requirement~~ requirements pursuant to subdivisions (2)(C)(i) and (ii) of this subsection (a) if the plant would qualify as distributed renewable generation but for its plant capacity and the provider demonstrates that it is unable during that year to meet the requirement solely with qualifying renewable energy plants of five MW or less. To demonstrate this inability, the provider shall issue one or more requests for proposals, and show that it is unable to obtain sufficient ownership of environmental attributes to meet its required amount under this subdivision (2) from:

~~(i)~~(I) the construction and interconnection to its system of distributed renewable generation that is consistent with its approved least-cost integrated resource plan under section 218c of this title at a cost less than or equal to the sum of the applicable alternative compliance payment rate and the applicable rates published by the Department under the Commission's rules implementing subdivision 209(a)(8) of this title; and

~~(ii)~~(II) purchase of tradeable renewable energy credits for distributed renewable generation at a cost that is less than the applicable alternative compliance rate.

(ii) On petition of a retail electricity provider, the Commission may for a given year allow the provider to employ energy with environmental attributes attached or tradeable renewable energy credits to satisfy the distributed renewable generation requirements pursuant to subdivision (2)(C)(ii) of this subsection (a) if the provider demonstrates that it is unable during that year to meet the requirement at a cost that is less than the applicable alternative compliance rate with:

(I) distributed renewable generation; or

(II) a renewable energy plant that would qualify as distributed renewable generation pursuant to subdivision (2)(B) of this subsection (a) except for the fact the plan has a capacity of five MW or greater.

* * *

Sec. 2. INTERCONNECTION MAPS

A retail electricity provider and Vermont Electric Power Company shall provide a GIS-based interconnection map depicting the location and capacity of existing substations and circuits and noting any significant impediments to interconnection to the Commission, which shall make them available to municipalities, developers, and other relevant persons as appropriate to assist in determining the appropriate location for new renewable generation. Retail electricity providers and Vermont Electric Power Company shall update the

maps not less than quarterly or on a more frequent schedule set by the Commission.

Sec. 3. STUDIES AND REPORTS

(a) The Agency of Natural Resources (ANR), in conjunction with the Department of Public Service, shall conduct a full life-cycle analysis of the total greenhouse gases emitted during the planning, construction, and operation of hydroelectric renewable energy plants with a capacity of 200 MW or more that are within the supply portfolio of a Vermont retail electricity provider. ANR shall submit a written report on its findings to the General Assembly on or before January 20, 2021.

(b) The Public Utility Commission may recommend a process to improve the interconnection and Section 248 approval process for renewable energy generation so that developers can better predict the type of generation and location on the grid where renewable generation would be most beneficial, and where it would help to minimize transmission, interconnection, and other costs.

Sec. 4. EFFECTIVE DATE

This act shall take effect on July 1, 2020.

(Committee vote: _____)

_____

Senator _____

FOR THE COMMITTEE