

1 H.468

2 Introduced by Representative Klein of East Montpelier

3 Referred to Committee on

4 Date:

5 Subject: Energy; public service; renewable electric generation

6 Statement of purpose: This bill proposes to revise the statutes pertaining to a
7 renewable portfolio standard (RPS) and the Sustainably Priced Energy
8 Enterprise Development (SPEED) program. The bill proposes to establish an
9 RPS in Vermont and continue the SPEED program with significant revisions.
10 The bill also proposes to reorganize existing legal provisions concerning the
11 standard offer component of the SPEED program into a separate statute and to
12 remove an existing cumulative capacity ceiling on plants that may receive the
13 standard offer.

14 An act relating to a renewable portfolio standard and the Sustainably Priced
15 Energy Enterprise Development Program

16 It is hereby enacted by the General Assembly of the State of Vermont:

17 Sec. 1. 30 V.S.A. § 8002 is amended to read:

18 § 8002. DEFINITIONS

19 For purposes of this chapter:

20 * * *

1 (2) “Renewable energy” means energy produced using a technology that
2 relies on a resource that is being consumed at a harvest rate at or below its
3 natural regeneration rate.

4 (A) For purposes of this subdivision (2), methane gas and other
5 flammable gases produced by the decay of sewage treatment plant wastes or
6 landfill wastes and anaerobic digestion of agricultural products, byproducts, or
7 wastes shall be considered renewable energy resources, but no form of solid
8 waste, other than agricultural or silvicultural waste, shall be considered
9 renewable.

10 (B) For purposes of this subdivision (2), no form of nuclear fuel shall
11 be considered renewable.

12 (C) The only portion of electricity produced by a system of
13 generating resources that shall be considered renewable is that portion
14 generated by a technology that qualifies as renewable under this
15 subdivision (2).

16 (D) After conducting administrative proceedings, the board may add
17 technologies or technology categories to the definition of “renewable energy,”
18 provided that technologies using the following fuels shall not be considered
19 renewable energy supplies: coal, oil, propane, and natural gas.

20 (E) For the purposes of this chapter, renewable energy refers to either
21 “existing renewable energy” or “new renewable energy.”

1 (3) “Existing renewable energy” means ~~all types of renewable energy~~
2 ~~sold from the supply portfolio of a Vermont retail electricity provider that is~~
3 ~~not considered to be from a new renewable energy sourcee~~ produced by a plant
4 that came into service prior to or on December 31, 2004.

5 (4) “New renewable energy” shall mean renewable energy coming into
6 service after a specific date and shall have two tiers.

7 (A) “New renewable energy – tier one” means renewable energy
8 produced by a ~~generating resourcee~~ plant coming into service after
9 December 31, 2004 and before January 1, 2013. With respect to a system of
10 generating ~~resourcees~~ plants that includes renewable energy, the percentage of
11 the system that constitutes new renewable ~~energy~~ energy – tier one shall be
12 determined through dividing the plant capacity of the system’s generating
13 ~~resourcees~~ plants coming into service after December 31, 2004 and before
14 January 1, 2013 that produce renewable energy by the total plant capacity of
15 the system. ~~“New renewable energy” also may include the additional energy~~
16 ~~from an existing renewable facility retrofitted with advanced technologies or~~
17 ~~otherwise operated, modified, or expanded to increase the kWh output of the~~
18 ~~facility in excess of an historical baseline established by calculating the~~
19 ~~average output of that facility for the 10-year period that ended December 31,~~
20 ~~2004. If the production of new renewable energy through changes in~~
21 ~~operations, modification, or expansion involves combustion of the resource,~~

1 ~~the system also must result in an incrementally higher level of energy~~
2 ~~conversion efficiency or significantly reduced emissions. For the purposes of~~
3 ~~this chapter, renewable energy refers to either “existing renewable energy” or~~
4 ~~“new renewable energy.”~~

5 (B) “New renewable energy – tier two” means renewable energy
6 produced by a plant coming into service after December 31, 2012. With
7 respect to a system of generating plants that includes renewable energy, the
8 percentage of the system that constitutes new renewable energy – tier two shall
9 be determined through dividing the plant capacity of the system’s generating
10 plants coming into service after December 31, 2012 that produce renewable
11 energy by the total plant capacity of the system.

12 (C) “New renewable energy” also may include the additional
13 renewable energy from an existing plant retrofitted after December 31, 2004
14 with advanced technologies or otherwise operated, modified, or expanded to
15 increase the kWh output of the plant in excess of an historical baseline. In the
16 case of a retrofit that came into service after December 31, 2004 and before
17 January 1, 2013, the historical baseline shall be established by calculating the
18 average output of that plant for the 10-year period that ended December 31,
19 2004, and the additional energy shall be considered new renewable
20 energy – tier one. In the case of a retrofit that came into service after
21 December 31, 2012, the historical baseline shall be established by calculating

1 the average output of that plant for the 10-year period that ended December 31,
2 2012, and the additional energy shall be considered new renewable energy –
3 tier two. In either case, if the production of new renewable energy through
4 changes in operations, modification, or expansion involves combustion of the
5 resource, the system also must result in an incrementally higher level of energy
6 conversion efficiency or significantly reduced emissions.

7 (5) “Qualifying SPEED resources” means contracts for ~~in-state~~
8 resources in the SPEED program established under section 8005 of this title
9 that would meet the definition of ~~new~~ renewable energy under this section if
10 the energy purchase under the contracts were to include the energy’s
11 environmental attributes, whether or not ~~renewable energy credits~~ those
12 attributes are attached actually purchased under the contracts.

13 (A) “Existing qualifying SPEED resources” means qualifying
14 SPEED resources that would constitute “existing renewable energy” if the
15 contracts were to include purchase of the environmental attributes.

16 (B) “New qualifying SPEED resources – tier one” means qualifying
17 SPEED resources that would constitute “new renewable energy – tier one” if
18 the contracts were to include purchase of the environmental attributes.

19 (C) “New qualifying SPEED resources – tier two” means qualifying
20 SPEED resources that would constitute “new renewable energy – tier two” if
21 the contracts were to include purchase of the environmental attributes.

1 (6) ~~“Nonqualifying SPEED resources” means contracts for in-state~~
2 ~~resources in the SPEED program established under section 8005 of this title~~
3 ~~that are fossil fuel based, combined heat and power (CHP) facilities that~~
4 ~~sequentially produce both electric power and thermal energy from a single~~
5 ~~source or fuel. In addition, at least 20 percent of a facility’s fuel’s total~~
6 ~~recovered energy must be thermal and at least 13 percent must be electric, the~~
7 ~~design system efficiency (the sum of full load design thermal output and~~
8 ~~electric output divided by the heat input) must be at least 65 percent, and the~~
9 ~~facility must meet air quality standards established by the agency of natural~~
10 ~~resources.~~

11 (7) ~~“Energy conversion efficiency” means the effective use of energy~~
12 ~~and heat from a combustion process.~~

13 (7) “Environmental attributes” means the characteristics of a plant that
14 enable the energy it produces to qualify as renewable energy and include any
15 and all benefits of the plant to the environment such as avoided emissions or
16 other impacts to air, water, or soil that occur through the plant’s displacement
17 of a nonrenewable energy source.

18 (8) “Tradeable renewable energy credits” means all of the
19 environmental attributes associated with a single unit of energy generated by a
20 renewable energy source where:

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

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

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

10 (9) “Retail electricity provider” means a company engaged in the
11 distribution or sale of electricity directly to the public.

12 (10) “Board” means the public service board under section 3 of this title,
13 except when used to refer to the clean energy development board.

14 (11) “Commissioned” or “commissioning” means the first time a plant
15 is put into operation following initial construction or modernization if the costs
16 of modernization are at least 50 percent of the costs that would be required to
17 build a new plant including all buildings and structures technically required for
18 the new plant’s operation. However, these terms shall not include activities
19 necessary to establish operational readiness of a plant.

20 (12) “Plant” means any independent technical facility that generates
21 electricity from renewable energy. A group of newly constructed facilities,

1 such as wind turbines, shall be considered one plant if the group is part of the
2 same project and uses common equipment and infrastructure such as roads,
3 control facilities, and connections to the electric grid.

4 (13) "Plant capacity" means the rated electrical nameplate for a plant.

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

7 (15) "SPEED facilitator" means an entity appointed by the board
8 pursuant to subdivision 8005(b)(1) of this title.

9 * * *

10 (21) "Vermont composite electric utility system" means the combined
11 generation, transmission, and distribution resources along with the combined
12 retail load requirements of the Vermont retail electricity providers.

13 Sec. 2. 30 V.S.A. § 8004 is amended to read:

14 § 8004. RENEWABLE PORTFOLIO STANDARDS FOR SALES OF
15 ELECTRIC ENERGY

16 (a) ~~Except as otherwise provided in section 8005 of this title, in order for~~
17 ~~Vermont retail electricity providers to~~ To achieve the goals established in
18 section 8001 of this title, no retail electricity provider shall sell or otherwise
19 provide or offer to sell or provide electricity in the state of Vermont without
20 ownership of sufficient ~~energy produced by renewable resources as described~~
21 ~~in this chapter, or sufficient tradeable renewable energy credits that reflect the~~

1 ~~required renewable energy~~ environmental attributes as provided for in
2 subsection (b) of this section. Such ownership may be demonstrated through
3 possession of tradeable renewable energy credits; contracts for energy supplied
4 by a plant to the provider if the provider's purchase from the plant includes the
5 energy's environmental attributes; or both. In the case of members of the
6 Vermont Public Power Supply Authority, the requirements of this chapter may
7 be met in the aggregate.

8 (b) ~~Each~~ On and after January 1, 2025, each retail electricity provider in
9 Vermont shall ~~provide a certain amount of new renewable resources in its~~
10 ~~portfolio. Subject to subdivision 8005(d)(1) of this title each retail electricity~~
11 ~~provider in Vermont shall supply an amount of energy equal to its total~~
12 ~~incremental energy growth between January 1, 2005 and January 1, 2012~~
13 ~~through the use of electricity generated by new renewable resources. The retail~~
14 ~~electricity provider may meet this requirement through eligible new renewable~~
15 ~~energy credits, new renewable energy resources with renewable energy credits~~
16 ~~still attached, or a combination of those credits and resources. No retail~~
17 ~~electricity provider shall be required to provide in excess of a total of 10~~
18 ~~percent of its calendar year 2005 retail electric sales with electricity generated~~
19 ~~by new renewable resources.~~ own the environmental attributes of renewable
20 energy in an amount that is not less than 80 percent of its annual retail electric

1 sales for the preceding calendar year. To meet this requirement, each such
2 provider shall comply with the following schedule:

3 (1) As of January 1, 2013, the provider shall own the environmental
4 attributes of energy from plants in amounts not less than the following
5 percentages of its retail sales during the immediately preceding calendar year:

6 (A) Existing renewable energy – 40 percent.

7 (B) New renewable energy – tier one – 10 percent.

8 (2) As of January 1, 2017, the provider shall own the environmental
9 attributes of energy from plants in amounts not less than the following
10 percentages of its retail sales during the immediately preceding calendar year:

11 (A) Existing renewable energy – 40 percent.

12 (B) New renewable energy – tier one – 10 percent.

13 (C) New renewable energy – tier two – 10 percent.

14 (3) As of January 1, 2021, the provider shall own the environmental
15 attributes of energy from plants in amounts not less than the following
16 percentages of its retail sales during the immediately preceding calendar year:

17 (A) Existing renewable energy – 40 percent.

18 (B) New renewable energy – tier one – 10 percent.

19 (C) New renewable energy – tier two – 20 percent.

1 (4) As of January 1, 2025, the provider shall own the environmental
2 attributes of energy from plants in amounts not less than the following
3 percentages of its retail sales during the immediately preceding calendar year:

4 (A) Existing renewable energy – 40 percent.

5 (B) New renewable energy – tier one – 10 percent.

6 (C) New renewable energy – tier two – 30 percent.

7 ~~(c) The requirements of subsection (b) of this section shall apply to all~~
8 ~~retail electricity providers in this state, unless the retail electricity provider~~
9 ~~demonstrates and the board determines that compliance with the standard~~
10 ~~would impair the provider's ability to meet the public's need for energy~~
11 ~~services after safety concerns are addressed, at the lowest present value life~~
12 ~~cycle cost, including environmental and economic costs. The use of energy~~
13 ~~from a plant to satisfy the requirements of section 8005 of this title shall not~~
14 ~~preclude the use of the same energy to satisfy the requirements of this section,~~
15 ~~as long as the provider possesses the energy's environmental attributes.~~

16 (d) The board shall provide, by order or rule, the regulations and
17 procedures that are necessary to allow the board and the department to
18 implement and supervise further the implementation and maintenance of a
19 renewable portfolio standard.

20 (e) In lieu of, ~~or in addition to~~ purchasing tradeable renewable energy
21 credits, to satisfy the portfolio requirements of this section, a retail electricity

1 provider in this state may pay to the Vermont clean energy development fund
2 established under section 8015 of this title an amount not less than the number
3 of kWh necessary to bring the provider's portfolio into compliance with those
4 requirements multiplied by a rate of \$0.03 per kWh as established by the board
5 (2012 dollars). ~~As an alternative, the board may require any proportion of this~~
6 ~~amount to be paid to the energy conservation fund established under subsection~~
7 ~~209(d) of this title.~~

8 ~~(f) Before December 30, 2007 and biennially thereafter through~~
9 ~~December 30, 2013, the board shall file a report with the senate committees on~~
10 ~~finance and on natural resources and energy and the house committees on~~
11 ~~commerce and on natural resources and energy. The report shall include the~~
12 ~~following:~~

13 ~~(1) the total cumulative growth in electric energy usage in Vermont~~
14 ~~from 2005 through the end of the year that precedes the date on which the~~
15 ~~report is due;~~

16 ~~(2) a report on the market for tradeable renewable energy credits,~~
17 ~~including the prices at which credits are being sold;~~

18 ~~(3) a report on the SPEED program, and any projects using the program;~~

19 ~~(4) a summary of other contracts held or projects developed by Vermont~~
20 ~~retail electricity providers that are likely to be eligible under the provisions of~~
21 ~~subsection 8005(d) of this title;~~

1 ~~(5) an estimate of potential effects on rates, economic development and~~
2 ~~jobs, if the target established in subsection 8005(d) of this section is met, and if~~
3 ~~it is not met;~~

4 ~~(6) an assessment of the supply portfolios of Vermont retail electricity~~
5 ~~providers, and the resources available to meet new supply requirements likely~~
6 ~~to be triggered by the expiration of major power supply contracts;~~

7 ~~(7) an assessment of the energy efficiency and renewable energy~~
8 ~~markets and recommendations to the legislature regarding strategies that may~~
9 ~~be necessary to encourage the use of these resources to help meet upcoming~~
10 ~~supply requirements;~~

11 ~~(8) any recommendations for statutory change related to this section,~~
12 ~~including recommendations for rewarding utilities that make substantial~~
13 ~~investments in SPEED resources; and~~

14 ~~(9) the board's recommendations on how the state might best continue~~
15 ~~to meet the goals established in section 8001 of this title, including whether the~~
16 ~~state should meet its growth in energy usage over the succeeding 10 years by a~~
17 ~~continuation of the SPEED program.~~

1 Sec. 3. 30 V.S.A. § 8005 is amended to read:

2 § 8005. SUSTAINABLY PRICED ENERGY ENTERPRISE

3 DEVELOPMENT (SPEED) PROGRAM

4 (a) ~~In order to~~ To achieve the goals of section 8001 of this title, there is
5 created the Sustainably Priced Energy Enterprise Development (SPEED)
6 program. ~~The SPEED program shall have two categories of projects:~~
7 ~~qualifying SPEED resources and nonqualifying SPEED resources.~~

8 (b) The SPEED program shall be established, by rule, order, or contract, by
9 the board. As part of the SPEED program, the board may, and in the case of
10 subdivisions (1), (2), and (5) of this subsection, shall:

11 (1) Name one or more entities to become engaged in the purchase and
12 resale of electricity generated within the state by means of qualifying SPEED
13 resources ~~or nonqualifying SPEED resources, and shall implement the standard~~
14 ~~offer required by subdivision (2) of this subsection through this entity or~~
15 ~~entities~~. An entity appointed under this subdivision shall be known as a
16 SPEED facilitator.

17 (2) Issue standard offers for qualifying SPEED resources ~~with a plant~~
18 ~~capacity of 2.2 MW or less~~ in accordance with section 8005a of this title.
19 ~~These standard offers shall be available until the cumulative plant capacity of~~
20 ~~all such resources commissioned in the state that have accepted a standard~~
21 ~~offer under this subdivision (2) equals or exceeds 50 MW; provided, however,~~

1 that a plant owned and operated by a Vermont retail electricity provider shall
2 count toward this 50 MW ceiling if the plant has a plant capacity of 2.2 MW or
3 less and is commissioned on or after September 30, 2009. The term of a
4 standard offer required by this subdivision (2) shall be 10 to 20 years, except
5 that the term of a standard offer for a plant using solar power shall be 10 to 25
6 years. The price paid to a plant owner under a standard offer required by this
7 subdivision shall include an amount for each kWh generated that shall be set as
8 follows:

9 (A) Until the board determines the price to be paid to a plant owner
10 in accordance with subdivision (2)(B) of this subsection, the price shall be:

11 (i) For a plant using methane derived from a landfill or an
12 agricultural operation, \$0.12 per kWh.

13 (ii) For a plant using wind power that has a plant capacity of 15
14 kW or less, \$0.20 per kWh.

15 (iii) For a plant using solar power, \$0.30 per kWh.

16 (iv) For a plant using hydropower, wind power with a plant
17 capacity greater than 15 kW, or biomass power that is not subject to
18 subdivision (2)(A)(i) of this subsection, a price equal, at the time of the plant's
19 commissioning, to the average residential rate per kWh charged by all of the
20 state's retail electricity providers weighted in accordance with each such
21 provider's share of the state's electric load.

1 ~~(B) In accordance with the provisions of this subdivision, the board~~
2 ~~by order shall set the price to be paid to a plant owner under a standard offer,~~
3 ~~including the owner of a plant described in subdivisions (2)(A)(i) (iv) of this~~
4 ~~subsection.~~

5 ~~(i) The board shall use the following criteria in setting a price~~
6 ~~under this subdivision:~~

7 ~~(I) The board shall determine a generic cost, based on an~~
8 ~~economic analysis, for each category of generation technology that constitutes~~
9 ~~renewable energy. In conducting such an economic analysis the board shall:~~

10 ~~(aa) Include a generic assumption that reflects reasonably~~
11 ~~available tax credits and other incentives provided by federal and state~~
12 ~~governments and other sources applicable to the category of generation~~
13 ~~technology. For the purpose of this subdivision (2)(B), the term “tax credits~~
14 ~~and other incentives” excludes tradeable renewable energy credits.~~

15 ~~(bb) Consider different generic costs for subcategories of~~
16 ~~different plant capacities within each category of generation technology.~~

17 ~~(II) The board shall include a rate of return on equity not less~~
18 ~~than the highest rate of return on equity received by a Vermont investor owned~~
19 ~~retail electric service provider under its board approved rates as of the date a~~
20 ~~standard offer goes into effect.~~

1 ~~(III) The board shall include such adjustment to the generic~~
2 ~~costs and rate of return on equity determined under subdivisions (2)(B)(i)(I) of~~
3 ~~this subsection as the board determines to be necessary to ensure that the price~~
4 ~~provides sufficient incentive for the rapid development and commissioning of~~
5 ~~plants and does not exceed the amount needed to provide such an incentive.~~

6 ~~(ii) No later than September 15, 2009, the board shall open and~~
7 ~~complete a noncontested case docket to accomplish each of the following~~
8 ~~tasks:~~

9 ~~(I) Determine whether there is a substantial likelihood that one~~
10 ~~or more of the prices stated in subdivision (2)(A) of this subsection do not~~
11 ~~constitute a reasonable approximation of the price that would be paid applying~~
12 ~~the criteria of subdivision (2)(B)(i).~~

13 ~~(II) If the board determines that one or more of the prices stated~~
14 ~~in subdivision (2)(A) of this subsection do not constitute such an~~
15 ~~approximation, set interim prices that constitute a reasonable approximation of~~
16 ~~the price that would be paid applying the criteria of subdivision (2)(B)(i). Once~~
17 ~~the board sets such an interim price, that interim price shall be used in~~
18 ~~subsequent standard offers until the board sets prices under subdivision~~
19 ~~(2)(B)(iii) of this subsection.~~

20 ~~(iii) Regardless of its determination under subdivision (2)(B)(ii) of~~
21 ~~this subsection, the board shall proceed to set, no later than January 15, 2010,~~

1 the price to be paid to a plant owner under a standard offer applying the criteria
2 of subdivision (2)(B)(i) of this subsection.

3 (C) ~~On or before January 15, 2012 and on or before every second~~
4 ~~January 15 after that date, the board shall review the prices set under~~
5 ~~subdivision (2)(B) of this subsection and determine whether such prices are~~
6 ~~providing sufficient incentive for the rapid development and commissioning of~~
7 ~~plants. In the event the board determines that such a price is inadequate or~~
8 ~~excessive, the board shall reestablish the price, in accordance with the~~
9 ~~requirements of subdivision (2)(B)(i) of this subsection, for effect on a~~
10 ~~prospective basis commencing two months after the price has been~~
11 ~~reestablished.~~

12 (D) ~~Once the board determines, under subdivision (2)(B) or (C) of~~
13 ~~this subsection, the generic cost and rate of return elements for a category of~~
14 ~~renewable energy, the price paid to a plant owner under a subsequently~~
15 ~~executed standard offer contract shall comply with that determination.~~

16 (E) ~~A plant owner who has executed a contract for a standard offer~~
17 ~~under this section prior to a determination by the board under subdivision~~
18 ~~(2)(B) or (C) of this subsection shall continue to receive the price agreed on in~~
19 ~~that contract.~~

20 (F) ~~Notwithstanding any other provision of this section, on and after~~
21 ~~June 8, 2010, a standard offer shall be available for a qualifying existing plant.~~

1 ~~(i) For the purpose of this subdivision, “qualifying existing plant”~~
2 ~~means a plant that meets all of the following:~~

3 ~~(I) The plant was commissioned on or before September 30,~~
4 ~~2009.~~

5 ~~(II) The plant generates electricity using methane derived from~~
6 ~~an agricultural operation and has a plant capacity of 2.2 MW or less.~~

7 ~~(III) On or before September 30, 2009, the plant owner had a~~
8 ~~contract with a Vermont retail electricity provider to supply energy or~~
9 ~~attributes, including tradeable renewable energy credits from the plant, in~~
10 ~~connection with a renewable energy pricing program approved under section~~
11 ~~8003 of this title.~~

12 ~~(ii) Plant capacity of a plant accepting a standard offer pursuant to~~
13 ~~this subdivision (2)(F) shall not be counted toward the 50 MW amount under~~
14 ~~this subsection (b).~~

15 ~~(iii) Award of a standard offer under this subdivision (2)(F) shall~~
16 ~~be on condition that the plant owner and the retail electricity provider agree to~~
17 ~~modify any existing contract between them described under subdivision (i)(III)~~
18 ~~of this subdivision (2)(F) so that the contract no longer requires energy from~~
19 ~~the plant to be provided to the retail electricity provider. Those provisions of~~
20 ~~such a contract that concern tradeable renewable energy credits associated with~~
21 ~~the plant may remain in force.~~

1 ~~(iv) The price and term of a standard offer contract under this~~
2 ~~subdivision (2)(F) shall be the same, as of the date such a contract is executed,~~
3 ~~as the price and term otherwise in effect under this subsection (b) for a plant~~
4 ~~that uses methane derived from an agricultural operation.~~

5 ~~(G) Notwithstanding the requirement of this subsection (b) that a~~
6 ~~standard offer be available for qualifying SPEED resources, the board shall~~
7 ~~make a standard offer available under this subdivision (2) to an existing~~
8 ~~hydroelectric plant that does not exceed the 2.2 MW plant capacity limit of this~~
9 ~~subsection. To such plants, the board shall not allocate more of the cumulative~~
10 ~~50-MW plant capacity under this subdivision (2) than exceeds the amount of~~
11 ~~such capacity that is unsubscribed as of January 1, 2012. Before making this~~
12 ~~standard offer available, the board shall notify potentially eligible plants~~
13 ~~known to it and shall publish broad public notice of the future availability of~~
14 ~~the standard offer. The notice shall direct that all potentially eligible plants~~
15 ~~shall file with the board a statement of interest in the standard offer by a date to~~
16 ~~be no less than 30 days from the date of the notice. No plant may participate in~~
17 ~~this standard offer unless it timely files such a statement. The filing of such a~~
18 ~~statement shall constitute the consent of the plant owner to produce such~~
19 ~~information as the board may reasonably require to carry out this subdivision~~
20 ~~(2)(G), including information the board deems necessary to determine a~~
21 ~~generic cost in setting the price. The board shall have authority to require the~~

1 ~~production of such information from a plant that files a statement of interest.~~

2 ~~For the purpose of this subdivision (2)(G):~~

3 ~~(i) "Existing hydroelectric plant" means a hydroelectric plant~~
4 ~~located in the state that was in service as of January 1, 2009 and does not, as of~~
5 ~~the effective date of this subdivision (2)(G), have an agreement with the~~
6 ~~board's purchasing agent for the purchase of its power pursuant to subdivision~~
7 ~~209(a)(8) of this title and board rules adopted under that subdivision. The term~~
8 ~~includes hydroelectric plants that have never had such an agreement and~~
9 ~~hydroelectric plants for which such an agreement expired prior to May 25,~~
10 ~~2011.~~

11 ~~(ii) The provisions of subdivisions (2)(B)(i)(I) (III) of this~~
12 ~~subsection (standard offer pricing criteria) shall apply, except that:~~

13 ~~(I) The term "generic cost," when applied by the board to~~
14 ~~determine the price of a standard offer for an existing hydroelectric plant, shall~~
15 ~~mean the cost to own, reliably operate, and maintain such a plant for the~~
16 ~~duration of the standard offer contract. In determining this cost, the board shall~~
17 ~~consider including a generic assumption with respect to rehabilitation costs~~
18 ~~based on relevant factors such as the age of the potentially eligible plants;~~
19 ~~recently constructed or currently proposed rehabilitations to such plants; the~~
20 ~~investment that a reasonably prudent person would have made in such a plant~~

1 to date under the circumstances of the plant, including the price received for
2 power; and the availability for such a plant of improved technology.

3 ~~(II) The incentive described under subdivision (2)(B)(i)(III) of~~
4 ~~this subsection shall be an incentive for continued safe, efficient, and reliable~~
5 ~~operation of existing hydroelectric plants.~~

6 (3) Maximize the benefit to rate payers from the sale of tradeable
7 renewable energy credits or other credits that may be developed in the future,
8 especially with regard to those plants that accept the standard offer issued
9 under ~~subdivision (2) of this subsection~~ section 8005a of this title.

10 (4) Encourage retail electricity provider and third party developer
11 sponsorship and partnerships in the development of renewable energy projects.

12 (5) ~~Require~~ In accordance with section 8005a of this section, require all
13 Vermont retail electricity providers to purchase from the SPEED facilitator, ~~in~~
14 ~~accordance with subdivision (g)(2) of this section~~, the power generated by the
15 plants that accept the standard offer required to be issued under ~~subdivision (2)~~
16 ~~of this subsection~~ section 8005a. For the purpose of this subdivision (5), the
17 board and the SPEED facilitator constitute instrumentalities of the state.

18 (6) Establish a method for Vermont retail electrical providers to obtain
19 beneficial ownership of the renewable energy credits associated with any
20 SPEED projects, ~~in the event that a renewable portfolio standard comes into~~
21 ~~effect under the provisions of section 8004 of this title. It shall be a condition~~

1 ~~of a standard offer required to be issued under subdivision (2) of this~~
2 ~~subsection that tradeable renewable energy credits associated with a plant that~~
3 ~~accepts the standard offer are owned by the retail electric providers purchasing~~
4 ~~power from the plant, except that in the case of a plant using methane from~~
5 ~~agricultural operations, the plant owner shall retain such credits to be sold~~
6 ~~separately at the owner's discretion.~~

7 (7) ~~Create a mechanism by which a retail electricity provider may~~
8 ~~establish that it has a sufficient amount of renewable energy, or resources that~~
9 ~~would otherwise qualify under the provisions of subsection (d) of this section,~~
10 ~~in its portfolio so that equity requires that the retail electricity provider be~~
11 ~~relieved, in whole or in part, from requirements established under this~~
12 ~~subsection that would require a retail electricity provider to purchase SPEED~~
13 ~~power, provided that this mechanism shall not apply to the requirement to~~
14 ~~purchase power under subdivision (5) of this subsection. However, a retail~~
15 ~~electricity provider that establishes that it receives at least 25 percent of its~~
16 ~~energy from qualifying SPEED resources that were in operation on or before~~
17 ~~September 30, 2009, shall be exempt and wholly relieved from the~~
18 ~~requirements of subdivisions (b)(5) (requirement to purchase standard offer~~
19 ~~power) and (g)(2) (allocation of standard offer electricity and costs) of this~~
20 ~~section. [Repealed.]~~

1 (8) Provide that in any proceeding under subdivision 248(a)(2)(A) of
2 this title, a demonstration of compliance with subdivision 248(b)(2) of this
3 title, relating to establishing need for the facility, shall not be required if the
4 facility is a SPEED resource and if no part of the facility is financed directly or
5 indirectly through investments, other than power contracts, backed by Vermont
6 electricity ratepayers.

7 (9) Take such other measures as the board finds necessary or appropriate
8 to implement SPEED.

9 (c) Developers of qualifying ~~and nonqualifying~~ SPEED resources shall be
10 entitled to classification as an eligible facility under ~~chapter 12 of Title~~
11 10 V.S.A. chapter 12, relating to the Vermont Economic Development
12 Authority.

13 ~~(d)(1) The board shall meet on or before January 1, 2012 and open a~~
14 ~~proceeding to determine the total amount of qualifying SPEED resources that~~
15 ~~have been supplied to Vermont retail electricity providers or have been issued~~
16 ~~a certificate of public good. If the board finds that the amount of qualifying~~
17 ~~SPEED resources coming into service or having been issued a certificate of~~
18 ~~public good after January 1, 2005 and before July 1, 2012 equals or exceeds~~
19 ~~total statewide growth in electric retail sales during that time, and in addition,~~
20 ~~at least five percent of the 2005 total statewide electric retail sales is provided~~
21 ~~by qualified SPEED resources or would be provided by qualified SPEED~~

1 ~~resources that have been issued a certificate of public good, or if it finds that~~
2 ~~the amount of qualifying SPEED resources equals or exceeds 10 percent of~~
3 ~~total statewide electric retail sales for calendar year 2005, the portfolio~~
4 ~~standards established under this chapter shall not be in force. The board shall~~
5 ~~make its determination by January 1, 2013. If the board finds that the goal~~
6 ~~established has not been met, one year after the board's determination the~~
7 ~~portfolio standards established under subsection 8004(b) of this title shall take~~
8 ~~effect.~~

9 ~~(2) A state goal is to assure that 20 percent of total statewide electric~~
10 ~~retail sales before July 1, 2017 shall be generated by SPEED resources. The~~
11 ~~board shall report to the house and senate committees on natural resources and~~
12 ~~energy and to the joint energy committee by December 31, 2011 with regard to~~
13 ~~the state's progress in meeting this goal. In addition, the board shall report to~~
14 ~~the house and senate committees on natural resources and energy and to the~~
15 ~~joint energy committee by December 31, 2013 with regard to the state's~~
16 ~~progress in meeting this goal and, if necessary, shall include any appropriate~~
17 ~~recommendations for measures that will make attaining the goal more likely.~~

18 ~~(3) For the purposes of the determination to be made under this~~
19 ~~subsection, electricity produced at all facilities owned by or under long-term~~
20 ~~contract to Vermont retail electricity providers, whether it is generated inside~~

1 ~~or outside Vermont, that is new renewable energy shall be counted in the~~
2 ~~calculations under subdivisions (1) and (2) of this subsection.~~

3 To achieve the goals established in section 8001 of this title, no retail
4 electricity provider shall sell or otherwise provide or offer to sell or provide
5 electricity in the state of Vermont without ownership of sufficient qualifying
6 SPEED resources in accordance with this subsection.

7 (1) On and after January 1, 2025, each retail electricity provider in
8 Vermont shall own qualifying SPEED resources in an amount that is not less
9 than 80 percent of its annual retail electric sales for the preceding calendar year
10 and that includes the provider's pro rata share, in accordance with section
11 8005a of this title, of those qualifying SPEED resources that have accepted
12 standard offer contracts and for which the SPEED facilitator is allocating costs
13 to the retail electricity providers.

14 (2) To achieve the requirements of subdivision (1) of this subsection,
15 each such provider shall comply with the following schedule:

16 (A) As of January 1, 2013, the provider shall own qualifying SPEED
17 resources in amounts not less than the following percentages of its retail sales
18 during the immediately preceding calendar year:

19 (i) Existing qualifying SPEED resources – 40 percent.

20 (ii) New qualifying SPEED resources – tier one – 10 percent.

1 (B) As of January 1, 2017, the provider shall own qualifying SPEED
2 resources in amounts not less than the following percentages of its retail sales
3 during the immediately preceding calendar year:

4 (i) Existing qualifying SPEED resources – 40 percent.

5 (ii) New qualifying SPEED resources – tier one – 10 percent.

6 (iii) New qualifying SPEED resources – tier two – 10 percent.

7 (C) As of January 1, 2021, the provider shall own qualifying SPEED
8 resources in amounts not less than the following percentages of its retail sales
9 during the immediately preceding calendar year:

10 (i) Existing qualifying SPEED resources – 40 percent.

11 (ii) New qualifying SPEED resources – tier one – 10 percent.

12 (iii) New qualifying SPEED resources – tier two – 20 percent.

13 (D) As of January 1, 2025, the provider shall own qualifying SPEED
14 resources in amounts not less than the following percentages of its retail sales
15 during the immediately preceding calendar year:

16 (i) Existing qualifying SPEED resources – 40 percent.

17 (ii) New qualifying SPEED resources – tier one – 10 percent.

18 (iii) New qualifying SPEED resources – tier two – 30 percent.

19 (E) At each date stated in subdivisions (A) through (D) of this
20 subdivision (2), a retail electricity provider's portfolio shall contain, in
21 accordance with the provider's pro rata share under section 8005a of this title,

1 qualifying SPEED resources as of that date that have accepted standard offer
2 contracts and for which the SPEED facilitator is allocating costs to the retail
3 electricity providers.

4 (3) This subsection does not require that a retail electricity provider own
5 the environmental attributes of qualifying SPEED resources. Plants used to
6 satisfy this subsection may differ from plants used to satisfy the requirements
7 of section 8004 (renewable portfolio standard) of this title.

8 (e) The board shall provide, by order or rule, the regulations and
9 procedures that are necessary to allow the board and the department to
10 implement, and to supervise further the implementation and maintenance of the
11 SPEED program. These rules shall assure that decisions with respect to
12 certificate of public good applications for qualifying SPEED resources shall be
13 made in a timely manner.

14 (f) In order to encourage joint efforts on the part of regulated companies to
15 purchase power that meets or exceeds the SPEED standards and to secure
16 stable, long-term contracts beneficial to Vermonters, the board may establish
17 standards for pre-approving the recovery of costs incurred on a SPEED project
18 that is the subject of that joint effort.

19 ~~(g) With respect to executed contracts for standard offers under this~~
20 ~~section:~~

1 ~~(1) Such a contract shall be transferable. The contract transferee shall~~
2 ~~notify the SPEED facilitator of the contract transfer within 30 days of transfer.~~

3 ~~(2) The SPEED facilitator shall distribute the electricity purchased to the~~
4 ~~Vermont retail electricity providers at the price paid to the plant owners,~~
5 ~~allocated to the providers based on their pro rata share of total Vermont retail~~
6 ~~kWh sales for the previous calendar year, and the Vermont retail electricity~~
7 ~~providers shall accept and pay the SPEED facilitator for the electricity.~~

8 ~~(3) The SPEED facilitator shall transfer any tradeable renewable energy~~
9 ~~credits attributable to electricity purchased under standard offer contracts to the~~
10 ~~Vermont retail electricity providers in accordance with their pro rata share of~~
11 ~~the costs for such electricity as determined under subdivision (2) of this~~
12 ~~subsection, except that in the case of a plant using methane from agricultural~~
13 ~~operations, the plant owner shall retain such credits to be sold separately at the~~
14 ~~owner's discretion.~~

15 ~~(4) The SPEED facilitator shall transfer all capacity rights attributable to~~
16 ~~the plant capacity associated with the electricity purchased under standard~~
17 ~~offer contracts to the Vermont retail electricity providers in accordance with~~
18 ~~their pro rata share of the costs for such electricity as determined under~~
19 ~~subdivision (2) of this subsection.~~

20 ~~(5) All reasonable costs of a Vermont retail electricity provider incurred~~
21 ~~under this subsection shall be included in the provider's revenue requirement~~

1 for purposes of ratemaking under sections 218, 218d, 225, and 227 of this title.
2 ~~In including such costs, the board shall appropriately account for any credits~~
3 ~~received under subdivisions (2) and (3) of this subsection. Costs included in a~~
4 ~~retail electricity provider's revenue requirement under this subdivision shall be~~
5 ~~allocated to the provider's ratepayers as directed by the board.~~

6 (h) ~~With respect to standard offers under this section, the board shall by~~
7 ~~rule or order:~~

8 (1) ~~Determine a SPEED facilitator's reasonable expenses arising from~~
9 ~~its role and the allocation of such expenses among plant owners and Vermont~~
10 ~~retail electricity providers.~~

11 (2) ~~Determine the manner and timing of payments by a SPEED~~
12 ~~facilitator to plant owners for energy purchased under an executed contract for~~
13 ~~a standard offer.~~

14 (3) ~~Determine the manner and timing of payments to the SPEED~~
15 ~~facilitator by the Vermont retail electricity providers for energy distributed to~~
16 ~~them under executed contracts for standard offers.~~

17 (4) ~~Establish reporting requirements of a SPEED facilitator, a plant~~
18 ~~owner, and a Vermont retail electricity provider.~~

19 (i) ~~With respect to standard offers under this section, the board shall~~
20 ~~determine whether its existing rules sufficiently address metering and the~~

1 ~~allocation of metering costs, and make such rule revisions as needed to~~
2 ~~implement the standard offer requirements of this section.~~

3 ~~(j) Wood biomass resources that would otherwise constitute qualifying~~
4 ~~SPEED resources may receive a standard offer under subdivision (b)(2) of this~~
5 ~~section only if they have a design system efficiency (the sum of full load~~
6 ~~design thermal output and electric output divided by the heat input) of at least~~
7 ~~50 percent.~~

8 ~~(k) A Vermont retail electricity provider shall not be eligible for a standard~~
9 ~~offer contract under subdivision (b)(2) of this section. However, under~~
10 ~~subdivision (g)(1) of this section, a plant owner may transfer to such a provider~~
11 ~~all rights associated with a standard offer contract that has been offered to the~~
12 ~~plant without affecting the plant's status under the standard offer program. In~~
13 ~~the case of such a transfer of rights, the plant shall not be considered a utility-~~
14 ~~owned and operated plant under subdivisions (b)(2) and (g)(2) of this section.~~

15 ~~(l) The existence of a standard offer under subdivision (b)(2) of this section~~
16 ~~shall not preclude a voluntary contract between a plant owner and a Vermont~~
17 ~~retail electricity provider on terms that may be different from those under the~~
18 ~~standard offer. A plant owner who declines a voluntary contract may still~~
19 ~~accept a standard offer under this section.~~

20 ~~(m) The state and its instrumentalities shall not be liable to a plant owner or~~
21 ~~retail electricity provider with respect to any matter related to SPEED,~~

1 including costs associated with a standard offer contract under this section or
2 any damages arising from breach of such a contract, the flow of power
3 between a plant and the electric grid, or the interconnection of a plant to that
4 grid.

5 ~~(n) On or before January 15, 2011 and every second January 15 afterward,~~
6 ~~the board shall report to the house and senate committees on natural resources~~
7 ~~and energy concerning the status of the standard offer program under this~~
8 ~~section. In its report, the board at a minimum shall:~~

9 ~~(1) Assess the progress made toward attaining the cumulative statewide~~
10 ~~capacity ceiling stated in subdivision (b)(2) of this section.~~

11 ~~(2) If that cumulative statewide capacity ceiling has not been met,~~
12 ~~identify the barriers to attaining that ceiling and detail the board's~~
13 ~~recommendations for overcoming such barriers.~~

14 ~~(3) If that cumulative statewide capacity has been met or is likely to be~~
15 ~~met within a year of the date of the board's report, recommend whether the~~
16 ~~standard offer program under this section should continue and, if so, whether~~
17 ~~there should be any modifications to the program.~~

18 Sec. 4. 30 V.S.A. § 8005a is added to read:

19 § 8005a. SPEED; STANDARD OFFER PROGRAM

20 (a) To achieve the goals of section 8001 of this title, the board shall issue
21 standard offers for qualifying SPEED resources located in Vermont with a

1 plant capacity of 2.2 MW or less. The board shall implement these standard
2 offers through the SPEED facilitator.

3 (1) To be eligible for such a standard offer, a plant must be a qualifying
4 SPEED resource – tier one or a qualifying SPEED resource – tier two and must
5 constitute a qualifying small power production facility under 16 U.S.C.
6 § 796(17)(C) and 18 C.F.R. part 292.

7 (2) The board shall implement the standard offer program in a manner
8 that supports multiple categories of renewable energy technologies. The board
9 shall set, within the program, relative percentages of these categories and shall
10 administer the program to achieve an allocation of plants receiving standard
11 offer contracts that reasonably corresponds to these percentages. Categories of
12 renewable energy technologies to be supported by the standard offer program
13 shall include at least each of the following: methane derived from an
14 agricultural operation or landfill; solar power; wind power with a plant
15 capacity of 15 kW or less; wind power with a plant capacity greater than 15
16 kW; hydropower; and biomass power using a fuel other than methane derived
17 from an agricultural operation or landfill.

18 (b) The term of a standard offer required by this section shall be 10 to 20
19 years, except that the term of a standard offer for a plant using solar power
20 shall be 10 to 25 years.

1 (c) The board by order shall set the price paid to a plant owner under a
2 standard offer required by this section that shall include an amount for each
3 kWh generated and that shall vary by category of renewable energy. The price
4 paid for each category shall be the avoided cost of the Vermont composite
5 electric utility system. The board shall not be required to make this
6 determination as a contested case under 3 V.S.A. chapter 25. The categories of
7 renewable energy for which the board shall set standard offer prices shall
8 include at least each of the categories described in subdivision (a)(2) of this
9 section.

10 (1) For the purpose of this subsection, the term “avoided cost” means
11 the incremental cost to retail electricity providers of electric energy or capacity
12 or both, which, but for the purchase from the plant proposed to receive a
13 standard offer, such providers would obtain from a source using the same
14 generation technology as the proposed plant. For the purpose of this
15 subsection, the term “avoided cost” also includes the board’s consideration of
16 each of the following:

17 (A) The relevant cost data of the Vermont composite electric utility
18 system.

19 (B) The terms of the contract, including the duration of the
20 obligation.

1 (C) The availability, during the system's daily and seasonal peak
2 periods, of capacity or energy from a proposed plant.

3 (D) The relationship of the availability of energy or capacity from the
4 proposed plant to the ability of the Vermont composite electric utility system
5 or a portion thereof to avoid costs.

6 (E) The costs or savings resulting from variations in line losses from
7 those that would have existed in the absence of purchases from the proposed
8 plant.

9 (F) The supply and cost characteristics of the proposed plant.

10 (2) Every six months, the board shall review the prices previously set
11 under this subsection and determine whether such prices remain in compliance
12 with subdivision (1) of this subsection. The board may delegate this review to
13 the SPEED facilitator and, in such instance, the SPEED facilitator shall
14 provide the board with a recommended determination and the board shall make
15 the final determination. In the event the board determines that such a price
16 must be revised to comply with those criteria, the board shall reestablish the
17 price in accordance with those criteria for effect on a prospective basis
18 commencing one month after the price has been reestablished.

19 (3) Once the board determines, under subdivision (1) or (2) of this
20 subsection, the standard offer price to be paid for a category of renewable

1 energy, the price paid to a plant owner under a subsequently executed standard
2 offer contract shall comply with that determination.

3 (4) A plant owner who has executed a contract for a standard offer under
4 this section prior to a determination by the board under subdivision (2) of this
5 subsection shall continue to receive the price agreed on in that contract.

6 (d) Notwithstanding any other provision of this section, on and after June 8,
7 2010, a standard offer shall be available for a qualifying existing plant in
8 accordance with this subsection.

9 (1) For the purpose of this subsection, “qualifying existing plant” means
10 a plant that meets all of the following:

11 (A) The plant was commissioned on or before September 30, 2009.

12 (B) The plant generates electricity using methane derived from an
13 agricultural operation and has a plant capacity of 2.2 MW or less.

14 (C) On or before September 30, 2009, the plant owner had a contract
15 with a Vermont retail electricity provider to supply energy or attributes,
16 including tradeable renewable energy credits from the plant, in connection with
17 a renewable energy pricing program approved under section 8003 of this title.

18 (2) The provisions of subdivision 8005(b)(2) of this title as they existed
19 on June 4, 2010, the effective date of No. 159 of the Acts of the 2009 Adj.
20 Sess. (2010), shall govern a standard offer under this subsection.

1 (e) Notwithstanding any other provision of this section, the board shall
2 make a standard offer available to an existing hydroelectric plant in accordance
3 with this subsection.

4 (1) For the purpose of this subsection, "existing hydroelectric plant"
5 means a hydroelectric plant of 2.2 MW plant capacity or less located in the
6 state that was in service as of January 1, 2009 and did not, as of May 25, 2011,
7 have an agreement with the board's purchasing agent for the purchase of its
8 power pursuant to subdivision 209(a)(8) of this title and board rules adopted
9 under that subdivision. The term includes hydroelectric plants that have never
10 had such an agreement and hydroelectric plants for which such an agreement
11 expired prior to May 25, 2011.

12 (2) The provisions of subdivision 8005(b)(2) of this title, as they existed
13 on May 25, 2011, the effective date of Sec. 8 of No. 47 of the Acts of 2011,
14 shall govern a standard offer under this subsection.

15 (f) With respect to executed contracts for standard offers under this section:

16 (1) Such a contract shall be transferable. The contract transferee shall
17 notify the SPEED facilitator of the contract transfer within 30 days of transfer.

18 (2) The SPEED facilitator shall distribute the electricity purchased to the
19 Vermont retail electricity providers at the price paid to the plant owners,
20 allocated to the providers based on their pro rata share of total Vermont retail
21 kWh sales for the previous calendar year, and the Vermont retail electricity

1 providers shall accept and pay the SPEED facilitator for the electricity.
2 However, a retail electricity provider that establishes that it receives at least 25
3 percent of its energy from qualifying SPEED resources that were in operation
4 on or before September 30, 2009, shall be exempt and wholly relieved from the
5 requirements of this subdivision and subdivision 8005(b)(5) (requirement to
6 purchase standard offer power) of this title.

7 (3) The SPEED facilitator shall transfer the environmental attributes,
8 including any tradeable renewable energy credits, of electricity purchased
9 under standard offer contracts to the Vermont retail electricity providers in
10 accordance with their pro rata share of the costs for such electricity as
11 determined under subdivision (2) of this subsection, except that in the case of a
12 plant using methane from agricultural operations, the plant owner shall retain
13 such attributes and credits to be sold separately at the owner's discretion.

14 (4) The SPEED facilitator shall transfer all capacity rights attributable to
15 the plant capacity associated with the electricity purchased under standard
16 offer contracts to the Vermont retail electricity providers in accordance with
17 their pro rata share of the costs for such electricity as determined under
18 subdivision (2) of this subsection.

19 (5) All reasonable costs of a Vermont retail electricity provider incurred
20 under this subsection shall be included in the provider's revenue requirement
21 for purposes of ratemaking under sections 218, 218d, 225, and 227 of this title.

1 In including such costs, the board shall appropriately account for any credits
2 received under subdivisions (2) and (3) of this subsection. Costs included in a
3 retail electricity provider's revenue requirement under this subdivision shall be
4 allocated to the provider's ratepayers as directed by the board.

5 (g) With respect to standard offers under this section, the board shall by
6 rule or order:

7 (1) Determine a SPEED facilitator's reasonable expenses arising from
8 its role and the allocation of the expenses among plant owners and Vermont
9 retail electricity providers.

10 (2) Determine the manner and timing of payments by a SPEED
11 facilitator to plant owners for energy purchased under an executed contract for
12 a standard offer.

13 (3) Determine the manner and timing of payments to the SPEED
14 facilitator by the Vermont retail electricity providers for energy distributed to
15 them under executed contracts for standard offers.

16 (4) Establish reporting requirements of a SPEED facilitator, a plant
17 owner, and a Vermont retail electricity provider.

18 (h) With respect to standard offers under this section, the board shall
19 determine whether its existing rules sufficiently address metering and the
20 allocation of metering costs, and make rule revisions as needed to implement
21 the standard offer requirements of this section.

1 (i) Wood biomass resources that would otherwise constitute qualifying
2 SPEED resources may receive a standard offer under this section only if they
3 have a design system efficiency (the sum of full load design thermal output and
4 electric output divided by the heat input) of at least 50 percent.

5 (j) A Vermont retail electricity provider shall not be eligible for a standard
6 offer contract under this section. However, under subdivision (f)(1) of this
7 section, a plant owner may transfer to such a provider all rights associated with
8 a standard offer contract that has been offered to the plant without affecting the
9 plant's status under the standard offer program.

10 (k) The existence of a standard offer under this section shall not preclude a
11 voluntary contract between a plant owner and a Vermont retail electricity
12 provider on terms that may be different from those under the standard offer. A
13 plant owner who declines a voluntary contract may still accept a standard offer
14 under this section.

15 Sec. 5. 30 V.S.A. § 8005b is added to read:

16 § 8005b. RENEWABLE ENERGY PROGRAMS; BIENNIAL REPORT

17 (a) On or before January 15, 2013 and no later than every second
18 January 15 thereafter through January 15, 2027, the board shall file a report
19 with the general assembly in accordance with this section.

20 (b) The report under this section shall include at least each of the
21 following:

1 (1) The retail sales, in kWh, of electricity in Vermont during the
2 preceding calendar year. The report shall include the statewide total and the
3 total sold by each retail electricity provider.

4 (2) The amount of environmental attributes of renewable energy owned
5 by the Vermont retail electricity providers, expressed as a percentage of retail
6 kWh sales. The report shall include the statewide total and the total owned by
7 each retail electricity provider. The report shall discuss the progress of each
8 provider in meeting the requirements of section 8004 of this title.

9 (3) The amount of qualifying SPEED resources owned by the Vermont
10 retail electricity providers, expressed as a percentage of retail kWh sales. The
11 report shall include the statewide total and the total owned by each retail
12 electricity provider. The report shall discuss the progress of each provider
13 meeting the requirements of section 8005 of this title.

14 (4) A summary of the activities of the SPEED program under section
15 8005 of this title, including the name, location, plant capacity, and average
16 annual energy generation, of each qualifying SPEED resource used to meet the
17 requirements of section 8005.

18 (5) A summary of the activities of the standard offer program under
19 section 8005a of this title, including the number of plants participating in the
20 program, the prices paid by the program, and the plant capacity and average
21 annual energy generation of the participating plants. The report shall present

1 this information as totals for all participating plants and by category of
2 renewable energy technology. The report also shall identify the number of
3 applications received, the number of participating plants under contract, and
4 the number of participating plants actually in service.

5 (6) A report on the market for tradeable renewable energy credits,
6 including the prices at which credits are being sold.

7 (7) An assessment of the energy efficiency and renewable energy
8 markets and recommendations to the general assembly regarding strategies that
9 may be necessary to encourage the use of these resources to help meet
10 upcoming supply requirements.

11 (8) Any recommendations for statutory change related to sections 8004,
12 8005, and 8005a of this title.

13 Sec. 6. 30 V.S.A. § 8009 is amended to read:

14 § 8009. BASELOAD RENEWABLE POWER PORTFOLIO

15 REQUIREMENT

16 (a) In this section:

17 (1) "Baseload renewable power" means a plant that generates electricity
18 from renewable energy; that, during normal operation, is capable of taking all
19 or part of the minimum load on an electric transmission or distribution system;
20 and that produces electricity essentially continuously at a constant rate.

1 public service board docket 6812; together with the proceeds due the state
2 under the terms of any subsequent memoranda of understanding entered before
3 July 1, 2005 between the department of public service and Entergy Nuclear
4 VY and Entergy Nuclear Operations, Inc.

5 (B) All payments made by a retail electricity provider pursuant to
6 subsection 8004(e) of this title.

7 (C) Any other monies that may be appropriated to or deposited into
8 the fund.

9 (2) Balances in the fund shall be expended solely for the purposes set
10 forth in this subchapter and shall not be used for the general obligations of
11 government. All balances in the fund at the end of any fiscal year shall be
12 carried forward and remain part of the fund. Interest earned by the fund shall
13 be deposited in the fund. This fund is established in the state treasury pursuant
14 to ~~subchapter 5 of chapter 7 of Title 32 V.S.A.~~ chapter 7, subchapter 5.

15 * * *

16 Sec. 8. EFFECTIVE DATE; IMPLEMENTATION

17 (a) This act shall take effect on July 1, 2012.

18 (b) No later than January 1, 2013, the board shall issue its first set of prices
19 under Sec. 4 of this act, 30 V.S.A. § 8005a(c) (standard offer program). The
20 six-month periods described in Sec. 4 of this act, 30 V.S.A § 8005a(c)(2), shall
21 commence on issuance of that first set of prices.