

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~~ *An act relating to the Vermont*  
16 *Energy Act of 2012*

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

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

19 § 8002. DEFINITIONS

20 For purposes of this chapter:

21 \* \* \*

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 resource 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 resourcee~~

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 ~~(c) 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 SPED 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 ~~(2) "Baseload renewable power portfolio requirement" means an annual~~  
2 average of 175,000 MWh of baseload renewable power from an in-state woody  
3 biomass plant that was commissioned prior to September 30, 2009, has a  
4 nominal capacity of 20.5 MW, and was in service as of January 1, 2011.

5 (3) "Biomass" means organic nonfossil material of biological origin  
6 constituting a source of renewable energy within the meaning of 30 V.S.A.  
7 § 8002(2).

8 ~~(4) "Vermont composite electric utility system" means the combined~~  
9 ~~generation, transmission, and distribution resources along with the combined~~  
10 ~~retail load requirements of the Vermont retail electricity providers.~~

11 ~~(b) Notwithstanding subsection 8004(a) and subdivision 8005(d)(1) of this~~  
12 ~~title, commencing~~ Commencing November 1, 2012, the electricity supplied by  
13 each Vermont retail electricity provider to its customers shall include the  
14 provider's pro rata share of the baseload renewable power portfolio  
15 requirement, which shall be based on the total Vermont retail kWh sales of all  
16 such providers for the previous calendar year. The obligation created by this  
17 subsection shall cease on November 1, 2022.

18 \* \* \*

19 (f) With respect to a plant used to satisfy the baseload renewable power  
20 portfolio requirement:

1 ~~(1) The SPEED facilitator shall purchase the baseload renewable power,~~  
2 and the electricity purchased and any associated costs shall be allocated by the  
3 SPEED facilitator to the Vermont retail electricity providers based on their pro  
4 rata share of total Vermont retail kWh sales for the previous calendar year, and  
5 the Vermont retail electricity providers shall accept and pay those costs.

6 (2) Any environmental attributes, including tradeable renewable energy  
7 credits ~~attributable to,~~ of the electricity purchased shall be transferred to the  
8 Vermont retail electricity providers in accordance with their pro rata share of  
9 the costs for such electricity as determined under subdivision (1) of this  
10 subsection. The ownership of any such attributes shall be included, as existing  
11 renewable energy, in determining the providers' compliance with their  
12 obligations under section 8004 (renewable portfolio standard) of this title.

13 \* \* \*

14 Sec. 7. 30 V.S.A. § 8015 is amended to read:

15 § 8015. VERMONT CLEAN ENERGY DEVELOPMENT FUND

16 (a) Creation of fund.

17 (1) There is established the Vermont clean energy development fund to  
18 consist of each of the following:

19 (A) The proceeds due the state under the terms of the memorandum  
20 of understanding between the department of public service and Entergy  
21 Nuclear VY and Entergy Nuclear Operations, Inc. that was entered under

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.

*\* \* \* Renewable Energy; Goals; Definitions \* \* \**

*Sec. 1. 30 V.S.A. § 8001 is amended to read:*

*§ 8001. RENEWABLE ENERGY GOALS*

*(a) The general assembly finds it in the interest of the people of the state to promote the state energy policy established in section 202a of this title by:*

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

*(2) Supporting development of renewable energy and related planned energy industries in Vermont, and the jobs and economic benefits associated with such development, while retaining and supporting existing renewable energy infrastructure.*

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

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

*(5) Protecting and promoting air and water quality by means of renewable energy programs.*

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

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

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

*(b) The board shall provide, by order or rule, the regulations and procedures that are necessary to allow the board and the department to implement and supervise programs pursuant to this chapter.*

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

*§ 8002. DEFINITIONS*

*For purposes of this chapter:*

*\* \* \**

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

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

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

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

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

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

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

(4) “New renewable energy” means renewable energy produced by a ~~generating resource~~ specific and identifiable plant coming into service after December 31, 2004.

(A) ~~With respect to Energy from within a system of generating resources~~ plants that includes renewable energy, the percentage of the system that constitutes ~~shall not constitute new renewable energy shall be determined through dividing the plant capacity of the system’s generating resources coming into service after December 31, 2004 that produce renewable energy by the total plant capacity of the system, regardless of whether the system includes specific plants that came or come into service after December 31, 2004.~~

(B) “New renewable energy” also may include the additional energy from an existing renewable ~~facility~~ energy plant retrofitted with advanced technologies or otherwise operated, modified, or expanded to increase the kWh output of the ~~facility~~ plant in excess of an historical baseline established by calculating the average output of that ~~facility~~ plant for the 10-year period that ended December 31, 2004. If the production of new renewable energy through

~~changes in operations, modification, or expansion involves combustion of the resource, the system also must result in an incrementally higher level of energy conversion efficiency or significantly reduced emissions. For the purposes of this chapter, renewable energy refers to either “existing renewable energy” or “new renewable energy.”~~

~~(5) “Qualifying SPEED resources” means contracts for in-state resources in the SPEED program established under section 8005 of this title that meet the definition of new renewable energy under this section, whether or not renewable energy credits environmental attributes are attached.~~

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

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

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

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

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

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

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

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

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

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

*(12) “Plant” means ~~any~~ an independent technical facility that generates electricity from renewable energy. A group of newly constructed facilities, such as wind turbines, shall be considered one plant if the group is part of the same project and uses common equipment and infrastructure such as roads, control facilities, and connections to the electric grid.*

\* \* \*

*(21) “Distributed renewable generation” means a renewable energy plant that is connected to the subtransmission or distribution system of a Vermont retail electricity provider and has a plant capacity of less than 5 MW.*

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

\* \* \* *Renewable Portfolio Standard* \* \* \*

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

*§ 8004. RENEWABLE PORTFOLIO STANDARDS FOR SALES OF  
ELECTRIC ENERGY*

*(a) Environmental attributes; ownership. ~~Except as otherwise provided in section 8005 of this title, in order for Vermont retail electricity providers to~~ To achieve the goals established in section 8001 of this title, no retail electricity provider shall sell or otherwise provide or offer to sell or provide electricity in the state of Vermont without ownership of sufficient energy produced by renewable resources as described in this chapter, or sufficient tradeable renewable energy credits that reflect the required renewable energy environmental attributes as provided for in subsection (b) of this section. Such ownership may be demonstrated through possession of tradeable renewable energy credits; contracts for energy supplied by a plant to the provider if the provider's purchase from the plant includes the energy's environmental attributes; or both. In the case of members of the Vermont Public Power Supply Authority, the requirements of this chapter may be met in the aggregate.*

*(b) Amounts required; schedule.*

*(1) New renewable energy. Each retail electricity provider in Vermont shall ~~provide a certain amount of new renewable resources in its portfolio.~~ Subject to subdivision 8005(d)(1) of this title each retail electricity provider in*

~~Vermont shall supply an amount of energy equal to its total incremental energy growth between January 1, 2005 and January 1, 2012 through the use of electricity generated by new renewable resources. The retail electricity provider may meet this requirement through eligible new renewable energy credits, new renewable energy resources with renewable energy credits still attached, or a combination of those credits and resources. No retail electricity provider shall be required to provide in excess of a total of 10 percent of its calendar year 2005 retail electric sales with electricity generated by new renewable resources own the environmental attributes of new renewable energy that is delivered or capable of delivery to Vermont in an amount that is not less than the percentages of its annual retail electric sales during each of the compliance periods shown on the table contained in this subdivision (b)(1).~~

<u>Compliance Period</u> <u>(begins January 1 of stated year)</u>	<u>SPEED</u> <u>Goal Not Met</u>	<u>SPEED</u> <u>Goal Met</u>
<u>Three years commencing 2014</u>	<u>4 percent</u>	<u>4 percent</u>
<u>Three years commencing 2017</u>	<u>11 percent</u>	<u>8 percent</u>
<u>Three years commencing 2020</u>	<u>17 percent</u>	<u>14 percent</u>
<u>Three years commencing 2023</u>	<u>22 percent</u>	<u>19 percent</u>
<u>Three years commencing 2026</u>	<u>26 percent</u>	<u>26 percent</u>

<u>Three years commencing 2029</u>	<u>31 percent</u>	<u>31 percent</u>
<u>Each year commencing 2032</u>	<u>35 percent</u>	<u>35 percent</u>

(A) If, pursuant to subdivision 8005(d)(1) (2017 SPEED goal) of this title, the board concludes that the goal of that subdivision has been met, then the percentages in the table column labeled “SPEED Goal Met” shall apply; otherwise, the percentages in the table column labeled “SPEED Goal Not Met” shall apply.

(B) A retail electricity provider shall meet the requirements of this subdivision (b)(1) in a manner reasonably consistent with subdivisions 8001(7) (small to moderate size plants; geographic distribution; benefit to electric system) and (8) (diversity of plant capacities and technologies) of this title.

(C) With respect to the compliance periods established in the table contained in this subdivision (b)(1), the board may allow a retail electricity provider to apply environmental attributes that are generated or purchased during a compliance period, and are in excess of the requirement for that period, toward meeting the requirement of the immediately succeeding compliance period. The board shall establish reasonable standards and limits to govern such application.

(2) Distributed renewable generation. Each retail electricity provider in Vermont shall own, in the amounts and allocations established under this subdivision (b)(2), the environmental attributes of new renewable energy

produced by distributed renewable generation owned by any Vermont retail electricity provider or under a contract of 10 or more years to any such provider.

(A) During each year commencing January 1, 2032, the amount established under this subdivision (b)(2) shall be not less than 10 percent of a provider's annual retail electric sales.

(B) Between the effective date of this subdivision (b)(2) and January 1, 2032, the amount established under this subdivision (b)(2) shall be determined by the board. During this period, the board shall require each retail electricity provider to own the environmental attributes of eligible distributed renewable generation in increasing amounts such that each provider achieves compliance, by January 1, 2032, with the requirements of subdivision (2)(A) (2032; 10 percent) of this subsection. The board shall ensure that this determination is consistent with the pace and implementation of the standard offer program under section 8005a of this title.

(C) The board shall allocate the amounts established under this subdivision (b)(2) among different categories of renewable energy technologies. These categories shall include at least each of the following: methane derived from an agricultural operation; methane derived from a landfill; solar power; wind power with a plant capacity of 100 kW or less; wind power with a plant capacity greater than 100 kW; hydroelectric power;

and biomass power using a fuel other than methane derived from an agricultural operation or landfill. In making these allocations, the board shall take into account the provisions of section 8005a (standard offer) of this title.

(D) For the purpose of this subdivision (b)(2), all net metering systems under section 219a of this title shall be considered to be under a contract of 10 or more years with the net metering customer's retail electricity provider.

(E) Energy produced by a plant used to satisfy this subdivision (b)(2) shall be applied to the requirements of subdivision (b)(1) of this section.

(F) A provider shall be exempt from the requirements of this subdivision (2) if the provider is exempt from the standard offer purchase requirements under subdivision 8005a(k)(2) of this title.

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

requirements of this section, as long as the provider possesses the energy's environmental attributes.

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

(e) Alternative compliance payments. ~~In lieu of, or in addition to purchasing tradeable renewable energy credits to satisfy the portfolio requirements of this section, a retail electricity provider in this state may pay to the Vermont clean energy development fund established under section 8015 of this title an amount not less than the number of kWh necessary to bring the provider's portfolio into compliance with those requirements multiplied by a rate per kWh as established by the board. ~~As an alternative, the board may require any proportion of this amount to be paid to the energy conservation fund established under subsection 209(d) of this title.~~~~

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

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

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

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

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

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

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

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

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

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

~~\*\*\* SPEED Program; General \*\*\*~~

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

~~§ 8005. SUSTAINABLY PRICED ENERGY ENTERPRISE~~

~~DEVELOPMENT (SPEED) PROGRAM; TOTAL RENEWABLES~~

~~TARGETS~~

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

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

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

~~(2) Issue standard offers for qualifying SPEED resources with a plant capacity of 2.2 MW or less in accordance with section 8005a of this title. These standard offers shall be available until the cumulative plant capacity of all such resources commissioned in the state that have accepted a standard offer under this subdivision (2) equals or exceeds 50 MW; provided, however, that a plant owned and operated by a Vermont retail electricity provider shall count toward this 50-MW ceiling if the plant has a plant capacity of 2.2 MW or less and is commissioned on or after September 30, 2009. The term of a standard offer required by this subdivision (2) shall be 10 to 20 years, except that the term of a standard offer for a plant using solar power shall be 10 to 25 years. The price paid to a plant owner under a standard offer required by this subdivision shall include an amount for each kWh generated that shall be set as follows:~~

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

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

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

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

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

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

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

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

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

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

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

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

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

~~(I) Determine whether there is a substantial likelihood that one or more of the prices stated in subdivision (2)(A) of this subsection do not~~

~~constitute a reasonable approximation of the price that would be paid applying the criteria of subdivision (2)(B)(i).~~

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

~~(iii) Regardless of its determination under subdivision (2)(B)(ii) of this subsection, the board shall proceed to set, no later than January 15, 2010, the price to be paid to a plant owner under a standard offer applying the criteria of subdivision (2)(B)(i) of this subsection.~~

~~(C) On or before January 15, 2012 and on or before every second January 15 after that date, the board shall review the prices set under subdivision (2)(B) of this subsection and determine whether such prices are providing sufficient incentive for the rapid development and commissioning of plants. In the event the board determines that such a price is inadequate or excessive, the board shall reestablish the price, in accordance with the requirements of subdivision (2)(B)(i) of this subsection, for effect on a~~

~~prospective basis commencing two months after the price has been reestablished.~~

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

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

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

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

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

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

~~(III) On or before September 30, 2009, the plant owner had a contract with a Vermont retail electricity provider to supply energy or~~

~~attributes, including tradeable renewable energy credits from the plant, in connection with a renewable energy pricing program approved under section 8003 of this title.~~

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

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

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

~~(G) Notwithstanding the requirement of this subsection (b) that a standard offer be available for qualifying SPEED resources, the board shall make a standard offer available under this subdivision (2) to an existing hydroelectric plant that does not exceed the 2.2 MW plant capacity limit of this~~

~~subsection. To such plants, the board shall not allocate more of the cumulative 50 MW plant capacity under this subdivision (2) than exceeds the amount of such capacity that is unsubscribed as of January 1, 2012. Before making this standard offer available, the board shall notify potentially eligible plants known to it and shall publish broad public notice of the future availability of the standard offer. The notice shall direct that all potentially eligible plants shall file with the board a statement of interest in the standard offer by a date to be no less than 30 days from the date of the notice. No plant may participate in this standard offer unless it timely files such a statement. The filing of such a statement shall constitute the consent of the plant owner to produce such information as the board may reasonably require to carry out this subdivision (2)(G), including information the board deems necessary to determine a generic cost in setting the price. The board shall have authority to require the production of such information from a plant that files a statement of interest. For the purpose of this subdivision (2)(G):~~

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

~~hydroelectric plants for which such an agreement expired prior to May 25, 2011.~~

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

~~(I) The term “generic cost,” when applied by the board to determine the price of a standard offer for an existing hydroelectric plant, shall mean the cost to own, reliably operate, and maintain such a plant for the duration of the standard offer contract. In determining this cost, the board shall consider including a generic assumption with respect to rehabilitation costs based on relevant factors such as the age of the potentially eligible plants; recently constructed or currently proposed rehabilitations to such plants; the investment that a reasonably prudent person would have made in such a plant to date under the circumstances of the plant, including the price received for power; and the availability for such a plant of improved technology.~~

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

~~(3) Maximize the benefit to rate payers from the sale of tradeable renewable energy credits or other credits that may be developed in the~~

~~future, especially with regard to those plants that accept the standard offer issued under subdivision (2) of this subsection.~~

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

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

(6) ~~Establish a method for Vermont retail ~~electrical~~ electricity providers to obtain beneficial ownership of the renewable energy credits associated with any SPEED projects, in the event that a renewable portfolio standard comes into effect under the provisions of section 8004 of this title. It shall be a condition of a standard offer required to be issued under subdivision (2) of this subsection that tradeable renewable energy credits associated with a plant that accepts the standard offer are owned by the retail electric providers purchasing power from the plant, except that in the case of a plant using methane from agricultural operations, the plant owner shall retain such credits to be sold separately at the owner's discretion.~~

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

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

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

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

*(d) Goals and targets. To advance the goals stated in section 8001 of this title, the following goals and targets are established.*

*~~(1) The board shall meet on or before January 1, 2012 and open a proceeding to determine the total amount of qualifying SPEED resources that have been supplied to Vermont retail electricity providers or have been issued a certificate of public good. If the board finds that the amount of qualifying SPEED resources coming into service or having been issued a certificate of public good after January 1, 2005 and before July 1, 2012 equals or exceeds total statewide growth in electric retail sales during that time, and in addition, at least five percent of the 2005 total statewide electric retail sales is provided by qualified SPEED resources or would be provided by qualified SPEED resources that have been issued a certificate of public good, or if it finds that the amount of qualifying SPEED resources equals or exceeds 10 percent of total statewide electric retail sales for calendar year 2005, the portfolio standards established under this chapter shall not be in force. The board shall~~*

~~make its determination by January 1, 2013. If the board finds that the goal established has not been met, one year after the board's determination the portfolio standards established under subsection 8004(b) of this title shall take effect.~~

~~(2)(1) 2017 SPEED Goal. A state goal is to assure that 20 percent of total statewide electric retail sales before July 1, 2017 during the year commencing January 1, 2017 shall be generated by SPEED resources that constitute new renewable energy. The board shall report to the house and senate committees on natural resources and energy and to the joint energy committee by December 31, 2011 with regard to the state's progress in meeting this goal. In addition, the board shall report to the house and senate committees on natural resources and energy and to the joint energy committee by December 31, 2013 with regard to the state's progress in meeting this goal and, if necessary, shall include any appropriate recommendations for measures that will make attaining the goal more likely. On or before January 31, 2018, the board shall meet and open a proceeding to determine, for the calendar year 2017, the total amount of SPEED resources that were supplied to Vermont retail electricity providers and the total amount of statewide retail electric sales.~~

~~(3) For the purposes of the determination to be made under this subsection, subdivision (d)(1), the total amount of SPEED resources shall be~~

the amount of electricity produced at all facilities SPEED resources owned by or under long-term contract to Vermont retail electricity providers, whether it is generated inside or outside Vermont, that is new renewable energy shall be counted in the calculations under subdivisions (1) and (2) of this subsection. A conclusion by the board that the goal of this subdivision has been met shall have the effect stated in subdivision 8004(b)(1)(A) (RPS percentages; SPEED goal) of this title.

(2) Total renewables targets. This subdivision establishes, as percentages of annual electric sales, target amounts of total renewable energy within the supply portfolio of each renewable electricity provider.

(A) The target amounts of total renewable energy established by this subsection shall be 55 percent of each retail electricity provider's annual electric sales during the year beginning January 1, 2017, increasing by an additional four percent each third January 1 thereafter, until reaching 75 percent on and after January 1, 2032.

(B) Energy and environmental attributes used to satisfy the requirements of section 8004 (renewable portfolio standards) of this title shall apply toward meeting the target amounts established by this subdivision (2). The balance of these target amounts shall be met with SPEED resources.

(C) Each retail electricity provider shall manage its supply portfolio to be reasonably consistent with the target amounts established by this

subdivision (2). The board shall consider such consistency during the course of reviewing a retail electricity provider's charges and rates under this title, integrated resource plans under section 218c of this title, and petitions under section 248 (new gas and electric purchases, investments, and facilities) of this title. However, nothing in this subdivision (2) shall relieve a retail electricity provider from the obligations of section 8004 (renewable portfolio standards) of this title.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

~~(m) State; nonliability. The state and its instrumentalities shall not be liable to a plant owner or retail electricity provider with respect to any matter related to SPEED, including costs associated with a standard offer contract under this section or section 8005a of this title or any damages arising from breach of such a contract, the flow of power between a plant and the electric grid, or the interconnection of a plant to that grid.~~

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

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

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

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

*\* \* \* SPEED Program; Standard Offer \* \* \**

*Sec. 5. 30 V.S.A. § 8005a is added to read:*

*§ 8005a. SPEED; STANDARD OFFER PROGRAM*

*(a) Establishment. A standard offer program is established within the SPEED program. To achieve the goals of section 8001 of this title, the board shall issue standard offers for renewable energy plants that meet the eligibility requirements of this section. The board shall implement these standard offers through the SPEED facilitator.*

*(b) Eligibility. To be eligible for a standard offer under this section, a plant must constitute a qualifying small power production facility under 16 U.S.C. § 796(17)(C) and 18 C.F.R. part 292, must not be a net metering system under section 219a of this title, and must be a new standard offer plant. For the purpose of this section, “new standard offer plant” means a renewable energy plant that is located in Vermont, that has a plant capacity of 2.2 MW or less, and that is commissioned on or after September 30, 2009.*

*(c) Cumulative capacity. In accordance with this subsection, the board shall issue standard offers to new standard offer plants until a cumulative plant capacity amount of 150 MW is reached.*

*(1) Pace. Annually commencing April 1, 2013, the board shall increase the cumulative plant capacity of the standard offer program by 10 MW until*

the 150-MW cumulative plant capacity of this subsection (c) is reached (the 10-MW annual increase).

(A) Of this 10-MW annual increase, 2.5 MW shall be reserved for new standard offer plants proposed by Vermont retail electricity providers (the 2.5-MW provider block) and 7.5 MW shall be reserved for new standard offer plants proposed by persons who are not providers (the 7.5-MW independent developer block).

(B) If the 2.5-MW provider block for a given year is not fully subscribed, any unsubscribed capacity within that block shall be added to the 10-MW annual increase for each following year until that capacity is subscribed and shall be made available to new standard offer plants proposed by persons who are not providers.

(C) If the 7.5-MW independent developer block for a given year is not fully subscribed, any unsubscribed capacity within that block shall be added to the 10-MW annual increase for each following year until that capacity is subscribed and:

(i) Shall be made available to new standard offer plants proposed by persons who are not providers; and

(ii) May be made available to a provider following a written request and specific proposal submitted to and approved by the board.

(2) Technology allocations. The board shall allocate the 150-MW cumulative plant capacity of this subsection among different categories of renewable energy technologies. These categories shall include at least each of the following: methane derived from a landfill; solar power; wind power with a plant capacity of 100 kW or less; wind power with a plant capacity greater than 100 kW; hydroelectric power; and biomass power using a fuel other than methane derived from an agricultural operation or landfill. The categories and allocations reasonably shall correspond to those developed by the board for the same renewable energy technologies to implement subdivision 8004(b)(2) of this title (renewable portfolio standard; distributed renewable generation).

(d) Plants outside cumulative capacity. The following categories of plants shall not count toward the cumulative capacity amount of subsection (c) of this section, and the board shall make standard offers available to them provided that they are otherwise eligible for such offers under this section:

(1) Plants using methane derived from an agricultural operation.

(2) New standard offer plants that the board determines will have substantial benefits to the operation and management of the electric grid because of their design, characteristics, and location. To enhance the ability of new standard offer plants to mitigate transmission and distribution constraints, the board shall require Vermont retail electricity providers to

make sufficient information concerning these constraints available to developers who propose new standard offer plants. Nothing in this subdivision shall require the disclosure of information in contravention of federal law.

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

(f) Price. The categories of renewable energy for which the board shall set standard offer prices shall include at least each of the categories established pursuant to subdivision (c)(2) of this section. The board by order shall set the price paid to a plant owner under a standard offer required by this section that shall include an amount for each kWh generated and that shall vary by category of renewable energy. The board shall not be required to make this determination as a contested case under 3 V.S.A. chapter 25.

(1) Avoided cost. Except as provided in subdivision (2) of this subsection, the price paid for each category of renewable energy shall be the avoided cost of the Vermont composite electric utility system.

(A) For the purpose of this subsection (f), the term "avoided cost" means the incremental cost to retail electricity providers of electric energy or capacity or both, which, but for the purchase through the standard offer, such providers would obtain from distributed renewable generation that uses the same generation technology as the category of renewable energy for which the

board is setting the price. For the purpose of this subsection (f), the term “avoided cost” also includes the board’s consideration of each of the following:

(i) The relevant cost data of the Vermont composite electric utility system.

(ii) The terms of the contract, including the duration of the obligation.

(iii) The availability, during the system’s daily and seasonal peak periods, of capacity or energy purchased through the standard offer, and the estimated savings from mitigating peak load.

(iv) The relationship of the availability of energy or capacity purchased through the standard offer to the ability of the Vermont composite electric utility system or a portion thereof to avoid costs.

(v) The costs or savings resulting from variations in line losses and other impacts to the transmission or distribution system from those that would have existed in the absence of purchases through the standard offer.

(vi) The supply and cost characteristics of plants eligible to receive the standard offer.

(B) The board shall establish the first set of avoided cost prices under this subdivision (1) no later than March 1, 2013 for effect on April 1, 2013. Annually thereafter, the board shall review the prices previously set under this

subdivision (1) and determine whether such prices remain in compliance with the criteria of subdivision (1)(A) of this subsection. In the event the board determines that such a price must be revised to comply with those criteria, the board shall reestablish the price in accordance with the criteria for effect on a prospective basis commencing one month after the price has been reestablished. Once a standard offer price established or reestablished under this subdivision (1) goes into effect, the price set out in a subsequently executed standard offer contract shall comply with the most recently established price.

(2) Market-based mechanisms. For new standard offer projects, in the alternative to the pricing mechanism described under subdivision (1) (avoided costs) of this subsection, the board may use a market-based mechanism, such as a reverse auction or other procurement tool, to obtain a particular amount of a category of renewable energy, if it first finds that:

(A) Use of the mechanism is consistent with applicable federal law.

(B) Use of the mechanism is reasonably likely to result in prices sufficient to encourage the deployment of new standard offer projects within the applicable category of renewable energy.

(C) Use of the mechanism is reasonably likely to result in prices lower than the price that would apply under subdivision (1) of this subsection.

(3) Price stability. Once a plant owner has executed a contract for a standard offer under this section, the plant owner shall continue to receive the price agreed on in that contract regardless of whether the board subsequently changes the price applicable to the plant's category of renewable energy.

(g) Qualifying existing agricultural plants. Notwithstanding any other provision of this section, on and after June 8, 2010, a standard offer shall be available for a qualifying existing plant as defined in Sec. 3 of No. 159 of the Acts of the 2009 Adj. Sess. (2010) (Act 159). The provisions of 30 V.S.A. § 8005(b)(2), as they existed on June 4, 2010, the effective date of Act 159, shall govern a standard offer under this subsection. Standard offers for these plants shall not be subject to subsection (c) of this section (cumulative capacity; new standard offer plants).

(h) Application process. The board shall administer the process of applying for and obtaining a standard offer contract in a manner that ensures that the resources and capacity of the standard offer program are used for plants that are reasonably likely to achieve commissioning.

(i) Interconnection application. No contract under this section for a new standard offer plant shall be executed unless and until the plant owner submits a complete application to interconnect the plant to the subtransmission or distribution system of the applicable retail electricity provider.

(j) Termination; reallocation. In the event a proposed plant accepting a standard offer fails to meet the requirements of the program in a timely manner, the plant's standard offer contract shall terminate, and any capacity reserved for the plant within the program shall be reallocated to one or more eligible plants.

(1) For the purpose of this subsection, the requirements of the program shall include commissioning of all new standard offer plants, except plants using methane derived from an agricultural operation, within the following periods after execution of the plant's standard offer contract:

(A) 24 months if the plant is solar power or is wind power with a plant capacity of 100 kW or less; and

(B) 36 months if the plant uses a fuel source not described in subdivision 1(A) of this subsection (j) or is wind power of greater than 100 kW capacity.

(2) At the request of a plant owner, the board may extend a period described in subdivision (1) of this subsection (j) if it finds that the plant owner has proceeded diligently and in good faith and that commissioning of the plant has been delayed because of litigation or appeal or because of the need to obtain an approval the timing of which is outside the board's control.

(k) Executed standard offer contracts; transferability; allocation of benefits and costs. With respect to executed contracts for standard offers under this section:

(1) A contract shall be transferable. The contract transferee shall notify the SPEED facilitator of the contract transfer within 30 days of transfer.

(2) The SPEED facilitator shall distribute the electricity purchased to the Vermont retail electricity providers at the price paid to the plant owners, allocated to the providers based on their pro rata share of total Vermont retail kWh sales for the previous calendar year, and the Vermont retail electricity providers shall accept and pay the SPEED facilitator for the electricity. However, during any given calendar year, a retail electricity provider shall be exempt and wholly relieved from the requirements of this subdivision and subdivision 8005(b)(5) (requirement to purchase standard offer power) of this title if, during the immediately preceding 12-month period ending October 31, the amount of renewable energy supplied to the provider by generation owned by or under contract to the provider, regardless of whether the provider owned the energy's environmental attributes, was not less than the amount of energy sold by the provider to its retail customers.

(3) The SPEED facilitator shall transfer the environmental attributes, including any tradeable renewable energy credits, of electricity purchased under standard offer contracts to the Vermont retail electricity providers in

accordance with their pro rata share of the costs for such electricity as determined under subdivision (2) of this subsection (k), except that in the case of a plant using methane from agricultural operations, the plant owner shall retain such attributes and credits to be sold separately at the owner's discretion. Environmental attributes transferred to a retail electricity provider under this section shall be included in assessing the provider's compliance with section 8004 (renewable portfolio standards) of this title.

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

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

(l) SPEED facilitator; expenses; payments. With respect to standard offers under this section, the board shall by rule or order:

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

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

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

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

(m) Metering. With respect to standard offers under this section, the board shall make rule revisions concerning metering and the allocation of metering costs as needed to implement the standard offer requirements of this section.

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

(o) Voluntary contracts. The existence of a standard offer under this section shall not preclude a voluntary contract between a plant owner and a

Vermont retail electricity provider on terms that may be different from those under the standard offer. A plant owner who declines a voluntary contract may still accept a standard offer under this section.

*Sec. 6. STANDARD OFFER; PRIOR CAPACITY; INTERCONNECTION  
APPLICATION*

(a) Prior capacity included. In Sec. 5 (SPEED; standard offer program) of this act, the cumulative capacity amount of 150 MW contained in 30 V.S.A. § 8005a(c) includes the 50 MW of capacity previously authorized for the standard offer program under 30 V.S.A. § 8005(b)(2) as it existed immediately prior to the effective date of Sec. 5. Portions of this previously authorized 50-MW capacity that become available after that effective date shall be made immediately available to other eligible new standard offer projects, as defined in Sec. 5 of this act, in addition to the 10-MW annual increase under 30 V.S.A. § 8005a(c)(1) (standard offer; pace). Such capacity:

(1) Shall be made available to new standard offer plants proposed by persons who are not providers; and

(2) May be made available to a provider following a written request and specific proposal submitted to and approved by the board.

(b) Prior capacity; pricing. In a standard offer contract under 30 V.S.A. chapter 89, the board shall use the price that would apply under 30 V.S.A.

§ 8005(b)(2) as it existed immediately prior to the effective date of Sec. 5

(SPEED; standard offer program) of this act, if both of the following apply:

(1) The contract pertains to capacity within the standard offer program as it existed immediately prior to that effective date.

(2) The capacity becomes available and the contract is executed prior to April 1, 2013.

(c) Interconnection application.

(1) No later than September 1, 2012, each owner of a new standard offer plant, as defined in Sec. 5 of this act, that executed or executes a standard offer contract under 30 V.S.A. chapter 89 prior to the effective date of this section shall submit a complete application to interconnect the plant to the subtransmission or distribution system of the applicable retail electricity provider. Failure to file such an application or to remit any required interconnection fees or deposits shall terminate the contract.

(2) The purpose of this subsection is to provide assurance that any reserved capacity within the standard offer program under 30 V.S.A. chapter 89 is allocated to proposed plants that are likely to be commissioned within the meaning of 30 V.S.A. § 8002.

*\* \* \* Renewable Energy; Reporting \* \* \**

*Sec. 7. 30 V.S.A. § 8005b is added to read:*

*§ 8005b. RENEWABLE ENERGY PROGRAMS; BIENNIAL REPORT*

*(a) On or before January 15, 2013 and no later than every second January 15 thereafter through January 15, 2033, the board shall file a report with the general assembly in accordance with this section. The board shall prepare the report in consultation with the department. The provisions of 2 V.S.A. § 20(d) (expiration of required reports) shall not apply to the report to be made under this subsection.*

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

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

*(2) The amount of environmental attributes of renewable energy owned by the Vermont retail electricity providers, expressed as a percentage of retail kWh sales. The report shall include the statewide total and the total owned by each retail electricity provider and shall discuss the progress of each provider in meeting the requirements of section 8004 (renewable portfolio standards) of this title. The requirements of this subdivision (b)(2) shall not apply to the*

report to be filed under this section on or before January 15, 2013 and shall apply to all reports to be filed subsequently under this section.

(3) The amount of SPEED resources owned by the Vermont retail electricity providers, expressed as a percentage of retail kWh sales. The report shall include the statewide total and the total owned by each retail electricity provider and shall discuss the progress of each provider toward achieving the goals and targets of subsection 8005(d) (SPEED) of this title. The report to be filed under this subsection on or before January 15, 2019 shall discuss and attach the board's determination under subdivision 8005(d)(1) (2017 SPEED goal) of this title.

(4) A summary of the activities of the SPEED program under section 8005 of this title, including the name, location, plant capacity, and average annual energy generation, of each SPEED resource within the program.

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

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

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

(8) An assessment of whether strict compliance with the requirements of section 8004 (renewable portfolio standards) or 8005a (SPEED program; standard offer) of this title will cause one or more retail electricity providers to incur unexpected costs that will impair the provider's ability to meet the public's need for energy services in the manner set forth under section 218c of this title (least-cost integrated planning) and, if so, whether statutory changes should be made to grant providers additional flexibility in meeting one or more of those requirements.

~~(8)~~ (9) Any recommendations for statutory change related to sections 8004, 8005, and 8005a of this title.

*\* \* \* Renewable Energy Statutes; Technical Corrections \* \* \**

*Sec. 8. 30 V.S.A. § 8009 is amended to read:*

*§ 8009. BASELOAD RENEWABLE POWER PORTFOLIO*

*REQUIREMENT*

*(a) In this section:*

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

(2) *“Baseload renewable power portfolio requirement” means an annual average of 175,000 MWh of baseload renewable power from an in-state woody biomass plant that was commissioned prior to September 30, 2009, has a nominal capacity of 20.5 MW, and was in service as of January 1, 2011.*

(3) *“Biomass” means organic nonfossil material of biological origin constituting a source of renewable energy within the meaning of ~~30 V.S.A. §~~ subdivision 8002(2) of this title.*

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

*(b) ~~Notwithstanding subsection 8004(a) and subdivision 8005(d)(1) of this title, commencing Commencing November 1, 2012, the electricity supplied by each Vermont retail electricity provider to its customers shall include the provider’s pro rata share of the baseload renewable power portfolio requirement, which shall be based on the total Vermont retail kWh sales of all~~*

*such providers for the previous calendar year. The obligation created by this subsection shall cease on November 1, 2022.*

\* \* \*

*(f) With respect to a plant used to satisfy the baseload renewable power portfolio requirement:*

*(1) The SPEED facilitator shall purchase the baseload renewable power, and the electricity purchased and any associated costs shall be allocated by the SPEED facilitator to the Vermont retail electricity providers based on their pro rata share of total Vermont retail kWh sales for the previous calendar year, and the Vermont retail electricity providers shall accept and pay those costs.*

*(2) Any environmental attributes, including tradeable renewable energy credits ~~attributable to,~~ of the electricity purchased shall be transferred to the Vermont retail electricity providers in accordance with their pro rata share of the costs for such electricity as determined under subdivision (1) of this subsection.*

\* \* \*

*Sec. 9. 30 V.S.A. § 8015 is amended to read:*

**§ 8015. VERMONT CLEAN ENERGY DEVELOPMENT FUND**

*(a) Creation of fund.*

*(1) There is established the Vermont clean energy development fund to consist of each of the following:*

*(A) The proceeds due the state under the terms of the memorandum of understanding between the department of public service and Entergy Nuclear VY and Entergy Nuclear Operations, Inc. that was entered under public service board docket 6812; together with the proceeds due the state under the terms of any subsequent memoranda of understanding entered before July 1, 2005 between the department of public service and Entergy Nuclear VY and Entergy Nuclear Operations, Inc.*

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

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

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

\* \* \*

*Sec. 10. STATUTORY REVISION*

(a) The office of legislative council shall reorganize 30 V.S.A. § 8002 (definitions) so that the definitions are in alphabetical order.

(b) In the Vermont Statutes Annotated, the office of legislative council shall revise each cross-reference to a definition contained in 30 V.S.A. § 8002 so that it refers to the definition as reorganized under subsection (a) of this section.

*\* \* \* Net Metering; Environmental Attributes \* \* \**

*Sec. 11. 30 V.S.A. § 219a(n) is added to read:*

(n) An electric company shall own the environmental attributes of all net metering systems that interconnect with the company's distribution system. The company shall not sell these environmental attributes and shall apply them toward the requirements of section 8004 (renewable portfolio standards) of this title. For the purpose of this subsection, "environmental attributes" shall have the same meaning as under section 8002 (renewable energy chapter; definitions) of this title.

*\* \* \* Utility Planning and Implementation; Consistency with Renewable Energy Goals and Targets \* \* \**

*Sec. 12. 30 V.S.A. § 218c is amended to read:*

*§ 218c. LEAST COST INTEGRATED PLANNING*

*(a)(1) A "least cost integrated plan" for a regulated electric or gas utility is a plan for meeting the public's need for energy services, after safety*

*concerns are addressed, at the lowest present value life cycle cost, including environmental and economic costs, through a strategy combining investments and expenditures on energy supply, transmission and distribution capacity, transmission and distribution efficiency, and comprehensive energy efficiency programs. Economic costs shall be ~~determined~~ assessed with due regard to:*

*(A) the greenhouse gas inventory developed under the provisions of 10 V.S.A. § 582;*

*(B) the state's progress in meeting its greenhouse gas reduction goals; ~~and~~*

*(C) the value of the financial risks associated with greenhouse gas emissions from various power sources; and*

*(D) consistency with section 8001 (renewable energy goals) of this title.*

*(2) "Comprehensive energy efficiency programs" shall mean a coordinated set of investments or program expenditures made by a regulated electric or gas utility or other entity as approved by the board pursuant to subsection 209(d) of this title to meet the public's need for energy services through efficiency, conservation or load management in all customer classes and areas of opportunity which is designed to acquire the full amount of cost effective savings from such investments or programs.*

*(b) Each regulated electric or gas company shall prepare and implement a least cost integrated plan for the provision of energy services to its Vermont customers. ~~Proposed plans shall be submitted~~ At least every third year on a schedule directed by the public service board, each such company shall submit a proposed plan to the department of public service and the public service board. The board, after notice and opportunity for hearing, may approve a company's least cost integrated plan if it determines that the company's plan complies with the requirements of subdivision (a)(1) of this section, is reasonably consistent with achieving the goals and targets of subsection 8005(d) (2017 SPEED goal; total renewables targets) of this title and, if the plan is submitted by an electric company on or after January 1, 2014, demonstrates that the company is and will be in compliance with the requirements of section 8004 (renewable portfolio standard) of this title.*

\* \* \*

*Sec. 13. 30 V.S.A. § 248(b) is amended to read:*

*(b) Before the public service board issues a certificate of public good as required under subsection (a) of this section, it shall find that the purchase, investment or construction:*

\* \* \*

*(2) is required to meet the need for present and future demand for service which could not otherwise be provided in a more cost effective manner*

*through energy conservation programs and measures and energy-efficiency and load management measures, including but not limited to those developed pursuant to the provisions of subsection 209(d), section 218c, and subsection 218(b) of this title. In determining whether this criterion is met, the board shall assess the environmental and economic costs of the purchase, investment, or construction in the manner set out under subdivision 218c(a)(1) (least cost integrated plan) of this title;*

\* \* \*

\* \* \* *Total Energy* \* \* \*

*Sec. 14. TOTAL ENERGY; REPORT*

*(a) The general assembly finds that, in the comprehensive energy plan issued in December 2011, the department of public service recommends that Vermont achieve, by 2050, a goal that 90 percent of the energy consumed in the state be renewable energy. This goal would apply across all energy sectors in Vermont, including electricity consumption, thermal energy, and transportation (total energy).*

*(b) The commissioner of public service shall convene an interagency and stakeholder working group to study and report to the general assembly on policies and funding mechanisms that would be designed to achieve the goal described in subsection (a) of this section in an integrated and comprehensive manner. The study and report shall include consideration of a total energy*

standard that would work with and complement the mechanisms enacted in Secs. 3 (renewable portfolio standards), 4 (SPEED; total renewables targets); and 5 (SPEED; standard offer program) of this act. The group's report shall include its recommended policy and funding mechanisms and the reasons for the recommendations. The report shall be submitted to the general assembly by December 15, 2013.

(c) Prior to submitting the report to the general assembly, the group shall offer an opportunity to submit information and comment to affected and interested persons such as business organizations, consumer advocates, energy efficiency entities appointed under Title 30, energy and environmental advocates, fuel dealers, relevant state agencies, transportation-related organizations, and Vermont electric and gas utilities.

\* \* \* Greenhouse Gas Accounting \* \* \*

Sec. 15. 10 V.S.A. § 582 is amended to read:

§ 582. GREENHOUSE GAS INVENTORIES; REGISTRY;

ACCOUNTING

\* \* \*

(e) Rules. The secretary may adopt rules to implement the provisions of this section and shall review existing and proposed international, federal, and state greenhouse gas emission reporting programs and make reasonable efforts to promote consistency among the programs established pursuant to

*this section and other programs, and to streamline reporting requirements on greenhouse gas emission sources. ~~Nothing~~ Except as provided in subsection (g) of this section, nothing in this section shall limit a state agency from adopting any rule within its authority.*

*(f) Participation by government subdivisions. The state and its municipalities may participate in the inventory for purposes of registering reductions associated with their programs, direct activities, or efforts, including the registration of emission reductions associated with the stationary and mobile sources they own, lease, or operate.*

*(g) Greenhouse gas accounting. In consultation with the department of public service created under 30 V.S.A. § 1, the secretary shall research and adopt by rule greenhouse gas accounting protocols that achieve transparent and accurate life cycle accounting of greenhouse gas emissions, including emissions of such gases from the use of fossil fuels and from renewable fuels such as biomass. On adoption, such protocols shall be the official protocols to be used by any agency or political subdivision of the state in accounting for greenhouse gas emissions.*

*\* \* \* Energy Efficiency \* \* \**

*Sec. 16. 30 V.S.A. § 209(d)(7) is amended to read:*

*(7) Net revenues above costs associated with payments from the New England Independent System Operator (ISO-NE) for capacity savings resulting*

*from the activities of the energy efficiency utility designated under subdivision (2) of this subsection shall be deposited into the electric efficiency fund established by this section. Any such net revenues not transferred to the state PACE reserve fund under 24 V.S.A. § 3270(c) shall be used by the entity appointed under subdivision (2) of this subsection to deliver heating and process-fuel energy efficiency services to Vermont consumers of such fuel on a whole-buildings basis to help meet the state's building efficiency goals established by 10 V.S.A. § 581. In delivering such services with respect to heating systems, the entity shall give priority to incentives for the installation of ~~woody~~ high efficiency biomass heating systems and shall have a goal of offering an incentive that is equal to 25 percent of the installed cost of such a system. For the purpose of this subdivision (7), "~~woody~~ biomass" means organic nonfossil material ~~from trees or woody plants~~ constituting a source of renewable energy within the meaning of subdivision 8002(2) of this title. ~~Provision of an incentive under this subdivision (7) for a woody biomass heating system shall not be contingent on the making of other energy efficiency improvements at the property on which the system will be installed.~~*

*Sec. 17. EFFECTIVE DATES; IMPLEMENTATION*

*(a) This section and Secs. 1 (renewable energy chapter; goals), 2 (renewable energy chapter; definitions), 3 (renewable portfolio standards), 4 (SPEED; total renewables targets); 5 (SPEED; standard offer program).*

6 (standard offer; prior capacity; interconnection application), and 14 (total energy; report) of this act shall take effect on passage.

(b) All sections of this act not referenced in subsection (a) of this section shall take effect on July 1, 2012.

(c) The public service board shall:

(1) No later than March 1, 2013, adopt rules or orders sufficient to implement 30 V.S.A. § 8005a(d)(3) (new standard offer plants; transmission and distribution constraints).

(2) No later than July 1, 2013, adopt rules or orders sufficient to implement 30 V.S.A. § 8004 (renewable portfolio standards) as amended by Sec. 3 of this act.

(d) No later than September 1, 2013, the secretary of natural resources shall adopt rules pursuant to Sec. 15 of this act, 10 V.S.A. § 582(g) (greenhouse gas accounting).