(Draft No. 4.1A – S.292) 2/13/2014 - ADA - 10:34 AM

1 TO THE HONORABLE SENATE: 2 The Committee on Natural Resources and Energy to which was referred 3 Senate Bill No. 292 entitled "An act relating to siting of energy facilities" 4 respectfully reports that it has considered the same and recommends that the 5 bill be amended by striking out all after the enacting clause and inserting in 6 lieu thereof the following: 7 Sec. 1. 30 V.S.A. § 248 is amended to read: 8 § 248. NEW GAS AND ELECTRIC PURCHASES, INVESTMENTS, AND 9 FACILITIES; CERTIFICATE OF PUBLIC GOOD 10 (a) Certificate of public good; obligation and procedure. 11 (1) Electricity; out-of-state purchases and investments. No company, as 12 defined in section 201 of this title, may: 13 (A) in any way purchase electric capacity or energy from outside the 14 State: 15 (i) for a period exceeding five years, that represents more than 16 three percent of its historic peak demand, unless the purchase is from a plant as 17 defined in subdivision 8002(14) of this title that produces electricity from 18 renewable energy as defined under subdivision 8002(17); or 19 (ii) for a period exceeding ten years, that represents more than ten

- 20 percent of its historic peak demand, if the purchase is from a plant as defined
- 21 in subdivision 8002(14) of this title that produces electricity from renewable
- 22 energy as defined under subdivision 8002(17); or

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1	(B) invest in an electric generation or transmission facility located
2	outside this state State unless the Public Service Board first finds that the same
3	will promote the general good of the State and issues a certificate to that effect.
4	(2) In-state electric generation and transmission facilities. Except for
5	the replacement of existing facilities with equivalent facilities in the usual
6	course of business, and except for electric generation facilities that are
7	operated solely for on-site electricity consumption by the owner of those
8	facilities:
9	(A) no company, as defined in section 201 of this title, and no person,
10	as defined in 10 V.S.A. § 6001(14), may begin site preparation for or
11	construction of an electric generation facility or electric transmission facility
12	within the state State which is designed for immediate or eventual operation at
13	any voltage; and
14	(B) no such company may exercise the right of eminent domain in
15	connection with site preparation for or construction of any such transmission or
16	generation facility, unless the Public Service Board first finds that the same
17	will promote the general good of the State and issues a certificate to that effect.
18	(3) <u>Natural gas facilities.</u> No company, as defined in section 201 of this
19	title, and no person, as defined in 10 V.S.A. § 6001(14), may in any way begin
20	site preparation for or commence construction of any natural gas facility,
21	except for the replacement of existing facilities with equivalent facilities in the
22	usual course of business, unless the Public Service Board first finds that the

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same will promote the general good of the State and issues a certificate to that
 effect pursuant to this section.

(A) For the purposes of In this section, the term "natural gas facility"
shall mean any natural gas transmission line, storage facility, manufactured-gas
facility, or other structure incident to any of the above. For purposes of In this
section, a "natural gas transmission line" shall include any feeder main or any
pipeline facility constructed to deliver natural gas in Vermont directly from a
natural gas pipeline facility that has been certified pursuant to the Natural Gas
Act, 15 U.S.C. § 717 et seq.

10 (B) For the purposes of In this section, the term "company" shall not 11 include a "natural gas company" (including a "person which will be a natural 12 gas company upon completion of any proposed construction or extension of 13 facilities"), within the meaning of the Natural Gas Act, 15 U.S.C. § 717 et seq.; 14 provided, however, that the term "company" shall include any "natural gas 15 company" to the extent it proposes to construct in Vermont a natural gas 16 facility that is not solely subject to federal jurisdiction under the Natural 17 Gas Act. 18 * * *

(b) <u>Criteria.</u> 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:

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1	(10) except as to a natural gas facility that is not part of or incidental to
2	an electric generating facility;:
3	(A) can be served economically by existing or planned transmission
4	facilities without undue adverse effect on Vermont utilities or customers; and
5	(B) as to an in-state electric generation facility, is designed to
6	minimize curtailment of the facility's expected generation and includes any
7	transmission facilities needed to place the facility's expected generation on the
8	regional transmission system without causing congestion;
9	* * *
10	(12) with respect to an in-state facility, will not have a detrimental effect
11	on the value of properties not used for the facility. In issuing a certificate of
12	public good, or the Board may require that the property owner will be
13	compensated for the amount of any reduction in the property's fair market
14	value due to the construction of the facility. The Board shall have authority
1.7	
15	to condition a certificate of public good to require such compensation.
15 16	to condition a certificate of public good to require such compensation. (A) After construction of an in-state facility subject to a certificate of
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16	(A) After construction of an in-state facility subject to a certificate of
16 17	(A) After construction of an in-state facility subject to a certificate of public good issued under this section, the owner of property not used for the
16 17 18	(A) After construction of an in-state facility subject to a certificate of public good issued under this section, the owner of property not used for the facility shall have the right to petition the Board for a determination that the
16 17 18 19	(A) After construction of an in-state facility subject to a certificate of public good issued under this section, the owner of property not used for the facility shall have the right to petition the Board for a determination that the facility reduces the fair market value of the property, notwithstanding any

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1	(B) The Board shall base its determinations under this subdivision
2	(12) on evidence supplied by qualified witnesses and in accordance with such
3	rules and procedures as it may adopt. In making these determinations, the
4	Board shall consider but not be bound by determinations of fair market value
5	made in accordance with a methodology allowed under 32 V.S.A. part 2
6	(property taxation).
7	* * *
8	(r) When evaluating the need for a purchase, investment, or facility
9	subject to this section and when giving due consideration under this section
10	to the greenhouse gas impacts of an in-state facility, the Board shall consider
11	all greenhouse gas emissions avoided by and related to the facility during its
12	life cycle. The Board shall require a petitioner seeking a certificate of public
13	good under this section for an in-state facility to provide a full accounting of
14	the emissions avoided by and related to the facility.
15	(s) The Board shall not issue a certificate of public good under this section
16	for an in-state facility to be sited on land subject to a permit issued under
17	10 V.S.A. chapter 151 unless one of the following applies:
18	(1) The facility is for the purpose of system reliability.
19	(2) The facility is allowed by and will comply with the terms and
20	conditions of that permit or the applicant has obtained a permit amendment
21	under that chapter authorizing the facility.

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1	Sec. 2. 10 V.S.A. § 6001 is amended to read:
2	§ 6001. DEFINITIONS
3	In this chapter:
4	* * *
5	(3)(A) "Development" means each of the following:
6	* * *
7	(xi) The construction of improvements for a facility located within the
8	State for which a certificate of public good is required under 30 V.S.A. § 248,
9	if the improvements are for a purpose other than system reliability and will be
10	located on a tract or tracts of land that are subject to a permit issued under this
11	chapter and the improvements would constitute a material change to the
12	permitted project under the rules of the Board.
13	* * *
14	(D) The word "development" does not include:
15	(i) The construction of improvements for farming, logging, or
16	forestry purposes below the elevation of 2,500 feet.
17	(ii) The construction of improvements for an electric generation or
18	transmission facility that requires a certificate of public good under 30 V.S.A.
19	§ 248, or for a natural gas facility as defined in 30 V.S.A. § 248(a)(3), unless
20	the provisions of subdivision (3)(C)(xi) of this section apply, or for a
21	telecommunications facility issued a certificate of public good under 30 V.S.A.
22	§ 248a.

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1	* * *
2	Sec. 3. STATUTORY REVISION
3	In its statutory revision capacity under 2 V.S.A. § 424, the Office of
4	Legislative Council shall insert an internal caption in each subsection of
5	30 V.S.A. § 248 not amended by Sec. 1 of this act that reflects the subsection's
6	subject matter.
7	Sec. 4. EFFECTIVE DATE
8	This act shall take effect on July 1, 2014.
9	
10	
11	
12	(Committee vote:)
13	
14	Senator [surname]
15	FOR THE COMMITTEE