

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19

H.40

Introduced by Representatives Klein of East Montpelier and Ellis of  
Waterbury

Referred to Committee on

Date:

Subject: Energy; public service; climate change; greenhouse gas emissions;  
renewable generation

Statement of purpose of bill as introduced: This bill proposes to repeal the  
Sustainably Priced Energy Enterprise Development Program, effective July 1,  
2015. It also proposes, for effect in 2017, to create a Renewable Energy  
Standard and Energy Transformation (RESET) Program for electric utilities  
that contains three elements:

- The bill would convert Vermont’s existing total renewables targets for those utilities into a requirement to own renewable energy or renewable energy credits (RECs) from renewable energy plants. These targets would become total renewable energy requirements.
- The bill would require ownership of specified amounts of renewable energy or RECs from smaller scale distributed renewable generation, which would count toward the total renewable energy requirement.

- 1           • The bill would establish an energy transformation requirement that  
2           utilities would meet through distributed renewable generation or  
3           projects that reduce Vermont’s fossil fuel consumption, or both.

4           An act relating to establishing a renewable energy standard and energy  
5           transformation program

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

7                                 \* \* \* Renewable Energy Standard and Energy  
8   Transformation Program \* \* \*

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

10          § 8002. DEFINITIONS

11          As used in this chapter:

12   \* \* \*

13                 (3) “CPI” means the Consumer Price Index for all urban consumers,  
14                 designated as “CPI-U,” in the northeast region, as published by the U.S.  
15                 Department of Labor, Bureau of Labor Statistics.

16   \* \* \*

17                 (6) “Environmental attributes” means the characteristics of a plant that  
18                 enable the energy it produces to qualify as renewable energy and include any  
19                 and all benefits of the plant to the environment such as avoided emissions or

1 other impacts to air, water, or soil that may occur through the plant's  
2 displacement of a nonrenewable energy source.

3 (7) "Existing renewable energy" means renewable energy produced by a  
4 plant that came into service prior to or on ~~December 31, 2004~~ June 30, 2015.

5 \* \* \*

6 (13) "New renewable energy" means renewable energy produced by a  
7 specific and identifiable plant coming into service after ~~December 31, 2004~~  
8 June 30, 2015.

9 (A) Energy from within a system of generating plants that includes  
10 renewable energy shall not constitute new renewable energy, regardless of  
11 whether the system includes specific plants that came or come into service  
12 after ~~December 31, 2004~~ June 30, 2015.

13 (B) "New renewable energy" also may include the additional energy  
14 from an existing renewable energy plant retrofitted with advanced technologies  
15 or otherwise operated, modified, or expanded to increase the kWh output of the  
16 plant in excess of an historical baseline established by calculating the average  
17 output of that plant for the 10-year period that ended ~~December 31, 2004~~  
18 June 30, 2015. If the production of new renewable energy through changes in  
19 operations, modification, or expansion involves combustion of the resource,  
20 the system also must result in an incrementally higher level of energy  
21 conversion efficiency or significantly reduced emissions.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20

\* \* \*

(17) “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 (17), 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 (17), 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 (17).

(D) The Board by rule 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.



1 or any program for tracking and verification of the ownership of environmental  
2 attributes of energy legally recognized in any state and approved by the Board.

3 \* \* \*

4 (24) “Customer” means a retail electric consumer.

5 (25) “Energy transformation project” means an undertaking that  
6 provides energy-related goods or services but does not include or consist of the  
7 generation of electricity and that results in a net reduction in fossil fuel  
8 consumption by the customers of a retail electricity provider and in the  
9 emission of greenhouse gases attributable to that consumption. Examples of  
10 energy transformation projects may include home weatherization or other  
11 thermal energy efficiency measures; air source or geothermal heat pumps;  
12 electric vehicle charging stations; and infrastructure for the storage of  
13 renewable energy on the electric grid.

14 (26) “RESET Program” means the Renewable Energy Standard and  
15 Energy Transformation Program established under sections 8004 and 8005 of  
16 this title.

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

2 § 8004. ~~RENEWABLE PORTFOLIO STANDARDS FOR SALES OF~~  
3 ELECTRIC ENERGY; RENEWABLE ENERGY STANDARD AND  
4 ENERGY TRANSFORMATION (RESET) PROGRAM

5 (a) ~~Except as otherwise provided in section 8005 of this title, in order for~~  
6 ~~Vermont retail electricity providers to achieve the goals established in section~~  
7 ~~8001 of this title, no~~ Establishment; requirements. The RESET Program is  
8 established. Under this program, a retail electricity provider shall not sell or  
9 otherwise provide or offer to sell or provide electricity in the State of Vermont  
10 without ownership of sufficient energy produced by renewable resources as  
11 described in this chapter, energy plants or sufficient tradeable renewable  
12 energy credits from plants whose energy is capable of delivery in Vermont that  
13 reflect the required amounts of renewable energy as provided for in subsection  
14 (b) of this set forth in section 8005 of this title or without support of energy  
15 transformation projects in accordance with that section. In the case of  
16 members of the Vermont Public Power Supply Authority, the requirements of  
17 this chapter may be met in the aggregate.

18 (b) ~~Each retail electricity provider in Vermont shall provide a certain~~  
19 ~~amount of new renewable resources in its portfolio. Subject to subdivision~~  
20 ~~8005(d)(1) of this title each retail electricity provider in Vermont shall supply~~  
21 ~~an amount of energy equal to its total incremental energy growth between~~

1 ~~January 1, 2005 and January 1, 2012 through the use of electricity generated by~~  
2 ~~new renewable resources. The A retail electricity provider may meet this~~  
3 ~~requirement the required amounts of renewable energy through eligible ~~new~~~~  
4 ~~tradeable renewable energy credits, ~~new~~ eligible renewable energy resources~~  
5 ~~with renewable energy credits still attached, or a combination of those credits~~  
6 ~~and resources. No retail electricity provider shall be required to provide in~~  
7 ~~excess of a total of 10 percent of its calendar year 2005 retail electric sales with~~  
8 ~~electricity generated by new renewable resources.~~

9 ~~(c) The requirements of subsection (b) of this section shall apply to all~~  
10 ~~retail electricity providers in this State, unless the retail electricity provider~~  
11 ~~demonstrates and the Board determines that compliance with the standard~~  
12 ~~would impair the provider's ability to meet the public's need for energy~~  
13 ~~services after safety concerns are addressed, at the lowest present value life~~  
14 ~~cycle cost, including environmental and economic costs.~~

15 ~~(d)(b) Rules and procedures. The Board shall ~~provide, by order or rule,~~~~  
16 ~~adopt the ~~regulations~~ rules and procedures that are necessary to allow the~~  
17 ~~Board and the Department to implement and supervise further the~~  
18 ~~implementation and maintenance of a renewable portfolio standard. In its~~  
19 ~~rules, the Board may allow a provider that has met the required amount of~~  
20 ~~renewable energy in a given year to retain tradeable renewable energy credits~~



1 created or purchased in excess of that amount for application to the provider's  
2 required amount of renewable energy in one of the following two years.

3 ~~(e)(c) Alternative compliance payment. In lieu of, or in addition to~~  
4 ~~purchasing renewable energy or tradeable renewable energy credits or~~  
5 ~~supporting energy transformation projects to satisfy the ~~portfolio~~ requirements~~  
6 ~~of this section and section 8005 of this title, a retail electricity provider in this~~  
7 ~~State may pay to the Vermont Clean Energy Development Fund established~~  
8 ~~under section 8015 of this title an amount per kWh as established by the Board~~  
9 ~~an alternative compliance payment at the applicable rate set forth in section~~  
10 ~~8005. As an alternative, the Board may require any proportion of this amount~~  
11 ~~to be paid to the Energy Conservation Fund established under subsection~~  
12 ~~209(d) of this title.~~

13 ~~(d) VPPSA members. In the case of members of the Vermont Public~~  
14 ~~Power Supply Authority, the requirements of this chapter may be met in the~~  
15 ~~aggregate.~~

16 ~~(f) Before December 30, 2007 and biennially thereafter through~~  
17 ~~December 30, 2013, the Board shall file a report with the Senate Committees~~  
18 ~~on Finance and on Natural Resources and Energy and the House Committees~~  
19 ~~on Commerce and on Natural Resources and Energy. The report shall include~~  
20 ~~the following:~~

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

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

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

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

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

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

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

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

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

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

9           § 8005. ~~SUSTAINABLY PRICED ENERGY ENTERPRISE~~

10                   ~~DEVELOPMENT (SPEED) PROGRAM; RESET PROGRAM~~

11                   ~~CATEGORIES~~

12           ~~(a) Creation. To achieve the goals of section 8001 of this title, there is~~  
13           ~~created the Sustainably Priced Energy Enterprise Development (SPEED)~~  
14           ~~program.~~

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

19                   ~~(1) Name one or more entities to become engaged in the purchase and~~  
20           ~~resale of electricity generated within the State by means of SPEED resources.~~

1 ~~An entity appointed under this subdivision shall be known as a SPEED~~  
2 ~~Facilitator.~~

3 ~~(2) Issue standard offers for SPEED resources in accordance with~~  
4 ~~section 8005a of this title.~~

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

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

11 ~~(5) In accordance with section 8005a of this section, require all Vermont~~  
12 ~~retail electricity providers to purchase from the SPEED Facilitator the power~~  
13 ~~generated by the plants that accept the standard offer required to be issued~~  
14 ~~under section 8005a. For the purpose of this subdivision (5), the Board and the~~  
15 ~~SPEED Facilitator constitute instrumentalities of the State.~~

16 ~~(6) Establish a method for Vermont retail electrical providers to obtain~~  
17 ~~beneficial ownership of the renewable energy credits associated with any~~  
18 ~~SPEED projects, in the event that a renewable portfolio standard comes into~~  
19 ~~effect under the provisions of section 8004 of this title. It shall be a condition~~  
20 ~~of a standard offer required to be issued under subdivision (2) of this~~  
21 ~~subsection that tradeable renewable energy credits associated with a plant that~~

1 ~~accepts the standard offer are owned by the retail electric providers purchasing~~  
2 ~~power from the plant, except that in the case of a plant using methane from~~  
3 ~~agricultural operations, the plant owner shall retain such credits to be sold~~  
4 ~~separately at the owner's discretion.~~

5 ~~(7) [Repealed.]~~

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

12 ~~(9) Take such other measures as the Board finds necessary or~~  
13 ~~appropriate to implement SPEED.~~

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

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

19 ~~(1) 2012 SPEED goal. The Board shall meet on or before January 1,~~  
20 ~~2012 and open a proceeding to determine the total amount of SPEED resources~~  
21 ~~that have been supplied to Vermont retail electricity providers or have been~~

1 ~~issued a certificate of public good. If the Board finds that the amount of~~  
2 ~~SPEED resources coming into service or having been issued a certificate of~~  
3 ~~public good after January 1, 2005 and before July 1, 2012 equals or exceeds~~  
4 ~~total statewide growth in electric retail sales during that time, and in addition,~~  
5 ~~at least five percent of the 2005 total statewide electric retail sales is provided~~  
6 ~~by SPEED resources or would be provided by SPEED resources that have been~~  
7 ~~issued a certificate of public good, or if it finds that the amount of SPEED~~  
8 ~~resources equals or exceeds 10 percent of total statewide electric retail sales for~~  
9 ~~calendar year 2005, the portfolio standards established under this chapter shall~~  
10 ~~not be in force. The Board shall make its determination by January 1, 2013. If~~  
11 ~~the Board finds that the goal established has not been met, one year after the~~  
12 ~~Board's determination the portfolio standards established under subsection~~  
13 ~~8004(b) of this title shall take effect.~~

14 ~~(2) 2017 SPEED goal. A State goal is to assure that 20 percent of total~~  
15 ~~statewide electric retail sales during the year commencing January 1, 2017~~  
16 ~~shall be generated by SPEED resources that constitute new renewable energy.~~  
17 ~~On or before January 31, 2018, the Board shall meet and open a proceeding to~~  
18 ~~determine, for the calendar year 2017, the total amount of SPEED resources~~  
19 ~~that were supplied to Vermont retail electricity providers and the total amount~~  
20 ~~of statewide retail electric sales.~~

1           ~~(3) Determinations. For the purposes of the determinations to be made~~  
2           ~~under subdivisions (1) and (2) of this subsection (d), the total amount of~~  
3           ~~SPEED resources shall be the amount of electricity produced at SPEED~~  
4           ~~resources owned by or under long-term contract to Vermont retail electricity~~  
5           ~~providers that is new renewable energy.~~

6           (a) Categories. This section specifies three categories of required resources  
7           to meet the requirements of the RESET Program established in section 8004 of  
8           this title: total renewable energy, distributed renewable generation, and energy  
9           transformation.

10           ~~(4)(1) Total renewables targets~~ renewable energy. ~~This~~

11           (A) Purpose; establishment. To encourage the economic and  
12           environmental benefits of renewable energy, this subdivision establishes, as  
13           ~~percentages of annual electric sales, target~~ for the RESET program, minimum  
14           ~~total~~ amounts of total renewable energy within the supply portfolio of each  
15           ~~retail electricity provider. To satisfy this requirement, a provider may use~~  
16           renewable energy with environmental attributes attached or tradeable  
17           renewable energy credits generated by any renewable energy plant whose  
18           energy is capable of delivery in Vermont.

19           ~~(A)(B) Required amounts.~~ The target amounts of total renewable  
20           ~~energy established~~ required by this subsection shall be 55 percent of each retail  
21           electricity provider's annual electric sales during the year beginning January 1,

1 2017, increasing by an additional ~~four~~ one and one-third percent each ~~third~~  
2 subsequent January 1 ~~thereafter~~, until reaching 75 percent on and after  
3 January 1, 2032.

4 ~~(B) Each retail electricity provider shall manage its supply portfolio~~  
5 ~~to be reasonably consistent with the target amounts established by this~~  
6 ~~subdivision (4). The Board shall consider such consistency during the course~~  
7 ~~of reviewing a retail electricity provider's charges and rates under this title,~~  
8 ~~integrated resource plans under section 218c of this title, and petitions under~~  
9 ~~section 248 (new gas and electric purchases, investments, and facilities) of this~~  
10 ~~title.~~

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

16 (2) Distributed renewable generation.

17 (A) Purpose; establishment. This subsection establishes a distributed  
18 renewable generation category for the RESET program. This category  
19 encourages the use of distributed generation to support the reliability of the  
20 State's electric system; reduce line losses; contribute to avoiding or deferring  
21 improvements to that system necessitated by transmission or distribution



1 constraints; and diversify the size and type of resources connected to that  
2 system. This category requires the use of renewable energy for these purposes  
3 to reduce environmental and health impacts from air emissions that would  
4 result from using other forms of generation.

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

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

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

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

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

1           (C) Required amounts. The required amounts of distributed  
2           renewable generation shall be one percent of each retail electricity provider's  
3           annual electric sales during the year beginning January 1, 2017, increasing by  
4           an additional three-fifths of a percent each subsequent January 1 until reaching  
5           10 percent on and after January 1, 2032.

6           (D) Distributed generation greater than five MW. On petition of a  
7           retail electricity provider, the Board may for a given year allow the provider to  
8           employ a renewable energy plant with a plant capacity greater than five MW to  
9           satisfy the distributed renewable generation requirement if the plant would  
10           qualify as distributed renewable generation but for its plant capacity and the  
11           provider demonstrates that it is unable during that year to meet the requirement  
12           solely with qualifying renewable energy plants of five MW or less.

13           (3) Energy transformation.

14           (A) Purpose; establishment. This subsection establishes an energy  
15           transformation category for the RESET program. This category encourages  
16           Vermont retail electricity providers to support additional distributed renewable  
17           generation or, at less cost than such generation, to support other projects to  
18           reduce fossil fuel consumed by their customers and the emission of greenhouse  
19           gases attributable to that consumption. A retail electricity provider may satisfy  
20           the energy transformation requirement through distributed renewable

1 generation or energy transformation projects or a combination of such  
2 generation and projects.

3 (B) Required amounts. For the energy transformation category, the  
4 required amounts shall be two percent of each retail electricity provider's  
5 annual electric sales during the year beginning January 1, 2017, increasing by  
6 an additional two-thirds of a percent each subsequent January 1 until reaching  
7 12 percent on and after January 1, 2032.

8 (C) Eligibility criteria. For an energy transformation project to be  
9 eligible under this subdivision (a)(3):

10 (i) implementation of the project shall have commenced on or  
11 after January 1, 2015; and

12 (ii) the project shall:

13 (I) over its life, result in a net reduction in fossil fuel consumed  
14 by the provider's customers and in the emission of greenhouse gases  
15 attributable to that consumption, whether or not the fuel is supplied by the  
16 provider;

17 (II) meet the need for its good or services at the lowest present  
18 value life cycle cost, including environmental and economic costs; and

19 (III) cost less per MWH than the purchase of tradeable  
20 renewable energy credits for distributed renewable generation.

1           (D) Conversion. For the purpose of determining eligibility and the  
2           application of the energy transformation project to a provider's annual  
3           requirement, the provider shall convert the net reduction in fossil fuel  
4           consumption resulting from the provider's support of the energy  
5           transformation project to a MWH equivalent of electric energy, in accordance  
6           with rules adopted by the Board. The conversion shall use the most recent  
7           year's approximate heat rate for electricity net generation from the total fossil  
8           fuels category as reported by the U.S. Energy Information Administration in its  
9           Monthly Energy Review.

10           (E) Other sources.

11           (i) An energy transformation project under this subdivision (3)  
12           shall deliver services through persons other than a retail electricity provider  
13           unless one of the following applies:

14           (I) Service delivery through the provider is more cost-effective  
15           than delivery by another person or there is no person other than the provider  
16           willing and able to deliver the services.

17           (II) Implementation of the energy transformation project  
18           commenced before July 1, 2015 and the project's service delivery was by a  
19           provider.

20           (ii) An energy transformation project may provide incremental  
21           support to a program authorized under Vermont statute that meets the

1 eligibility criteria of this subsection (a) but may take credit only for the  
2 additional amount of service supported and shall not take credit for that  
3 program's regularly budgeted or approved investments.

4 (F) Rules. The Board shall adopt rules to carry out this  
5 subsection (a). These rules shall include each of the following:

6 (i) The conversion methodology in accordance with  
7 subdivision (3)(D) of this subsection (a).

8 (ii) A procedure for prior approval of energy transformation  
9 projects by the Board or its designee. This procedure shall ensure that each of  
10 these projects meets the requirements of this subsection (a) and need not  
11 consist of individual review of each energy transformation project prior to  
12 implementation as long as the mechanism ensures those requirements are met.

13 (iii) A mechanism to ensure periodic verification of an energy  
14 transformation project's claimed fossil fuel reductions, avoided greenhouse gas  
15 emissions, conversion to MWH equivalent, cost-effectiveness and, if  
16 applicable, energy savings.

17 (iv) Provisions to ensure the coordinated delivery of energy  
18 transformation projects with the delivery of similar services, including  
19 low-income weatherization programs, entities that fund and support affordable  
20 housing, energy efficiency programs delivered under section 209 of this title.

1 and other energy efficiency programs delivered locally or regionally within  
2 the State.

3 (v) Provisions to ensure that, if an energy transformation project  
4 will increase the use of electric energy, the project incorporates best practices  
5 for demand management and will use technologies appropriate for Vermont.

6 (vi) A procedure under which a provider may withdraw from or  
7 terminate, in an orderly manner, an ongoing energy transformation project that  
8 no longer meets the eligibility criteria because of changes in the price of  
9 tradeable renewable energy credits or another factor beyond the control of the  
10 project and the provider.

11 (4) Alternative compliance rates.

12 (A) The alternative compliance payment rates for the categories  
13 established by this subsection (a) shall be:

14 (i) total renewable energy requirement – \$0.01 per kWh; and

15 (ii) distributed renewable generation and energy transformation  
16 requirements – \$0.07 per kWh.

17 (B) The Board shall adjust these rates for inflation annually  
18 commencing January 1, 2018, using the CPI.

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

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

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

6           (B) commencing April 1, 2015, owns and has retired tradeable  
7           renewable energy credits monitored and traded on the New England  
8           Generation Information System or otherwise approved by the Board equivalent  
9           to 100 percent of the provider's total retail sales of electricity, calculated as an  
10          average on an annual basis.

11          (2) A provider meeting the requirements of subdivision (1) of this  
12          subsection may:

13           (A) satisfy the distributed renewable generation requirement of this  
14           section through the amount of renewable energy generated by net metering  
15           systems within its service territory; and

16           (B) if the Board has appointed the provider as an energy efficiency  
17           entity under subsection 209(d) of this title, propose to the Board to reduce the  
18           energy transformation requirement that would otherwise apply to the provider  
19           under this section.

1                   (i) The provider may make and the Board may review such a  
2                   proposal in connection with a periodic submission made by the provider  
3                   pursuant to its appointment under subsection 209(d) of this title.

4                   (ii) The Board may approve a proposal under this subdivision (B)  
5                   if it finds that:

6                   (I) the energy transformation requirement that would otherwise  
7                   apply under this section exceeds the technical potential for cost-effective  
8                   energy transformation projects in the provider's service territory that meet the  
9                   eligibility criteria for these projects under this section; and

10                   (II) the reduced energy transformation requirement proposed  
11                   by the provider is not less than the amount sufficient to ensure the provider's  
12                   deployment or support of energy transformation projects that will acquire that  
13                   technical potential.

14                   (iii) The measure of cost-effectiveness under this subdivision (B)  
15                   shall be the alternative compliance payment rate established in this section for  
16                   the energy transformation requirement.

17                   (c) Biomass.

18                   (1) Distributed renewable generation that employs biomass to produce  
19                   electricity shall be eligible to count toward a provider's distributed renewable  
20                   generation or energy transformation requirement only if the plant produces



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

3 (2) Distributed renewable generation and energy transformation projects  
4 that employ biomass to produce energy shall comply with harvesting and  
5 procurement standards adopted by the Commissioner of Forests, Parks and  
6 Recreation under 10 V.S.A. § 2751.

7 (d) Low-impact hydropower. A hydroelectric renewable energy plant shall  
8 be eligible to satisfy the distributed renewable generation or energy  
9 transformation requirement only if, in addition to meeting the definition of  
10 distributed renewable generation, the plant is and continues to be certified by  
11 the Low-impact Hydropower Institute of Portland, Maine.

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

18 ~~(f) Preapproval. In order to encourage joint efforts on the part of regulated~~  
19 ~~companies to purchase power that meets or exceeds the SPEED standards and~~  
20 ~~to secure stable, long-term contracts beneficial to Vermonters, the Board may~~

1 ~~establish standards for pre-approving the recovery of costs incurred on a~~  
2 ~~SPEED project that is the subject of that joint effort.~~

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

9 ~~(h) (n) [Repealed.]~~

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

11 § 8005a. ~~SPEED~~; STANDARD OFFER PROGRAM

12 (a) Establishment. A standard offer program is established ~~within the~~  
13 ~~SPEED program~~. To achieve the goals of section 8001 of this title, the Board  
14 shall issue standard offers for renewable energy plants that meet the eligibility  
15 requirements of this section. The Board shall implement these standard offers  
16 ~~through the SPEED facilitator~~ by rule, order, or contract and shall appoint a  
17 Standard Offer Facilitator assist in this implementation. For the purpose of  
18 this section, the Board and the Standard Offer Facilitator constitute  
19 instrumentalities of the State.

20 \* \* \*

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

4 (1) A contract shall be transferable. The contract transferee shall notify  
5 the ~~SPEED~~ Standard Offer Facilitator of the contract transfer within 30 days of  
6 transfer.

7 (2) The ~~SPEED~~ Standard Offer Facilitator shall distribute the electricity  
8 purchased to the Vermont retail electricity providers at the price paid to the  
9 plant owners, allocated to the providers based on their pro rata share of total  
10 Vermont retail kWh sales for the previous calendar year, and the Vermont  
11 retail electricity providers shall accept and pay the ~~SPEED~~ Standard Offer  
12 Facilitator for the electricity. However, during any given calendar year:

13 (A) Calculation of pro rata shares under this subdivision (2) shall  
14 include an adjustment in the allocation to a provider if one or more of the  
15 provider's customers created greenhouse gas reduction credits under section  
16 8006a of this title that are used to reduce the size of the annual increase under  
17 subdivision (c)(1)(C)(adjustment; greenhouse gas reduction credits) of this  
18 section. The adjustment shall ensure that any and all benefits or costs from the  
19 use of such credits flow to the provider whose customers created the credits.  
20 The savings that a provider realizes as a result of this application of greenhouse

1 gas reduction credits shall be passed on proportionally to the customers that  
2 created the credits.

3 (B) A retail electricity provider shall be exempt and wholly relieved  
4 from the requirements of this subdivision ~~and subdivision 8005(b)(5)~~  
5 ~~(requirement to purchase standard offer power)~~ of this title if, during the  
6 immediately preceding 12-month period ending October 31, the amount of  
7 renewable energy supplied to the provider by generation owned by or under  
8 contract to the provider, regardless of whether the provider owned the energy's  
9 environmental attributes, was not less than the amount of energy sold by the  
10 provider to its retail customers.

11 (3) The ~~SPEED~~ Standard Offer Facilitator shall transfer the  
12 environmental attributes, including any tradeable renewable energy credits, of  
13 electricity purchased under standard offer contracts to the Vermont retail  
14 electricity providers in accordance with their pro rata share of the costs for  
15 such electricity as determined under subdivision (2) of this subsection (k),  
16 except that in the case of a plant using methane from agricultural operations,  
17 the plant owner shall retain such attributes and credits to be sold separately at  
18 the owner's discretion. It shall be a condition of a standard offer issued under  
19 this section that tradeable renewable energy credits associated with a plant that  
20 accepts the standard offer are owned by the retail electric providers purchasing

1 power from the plant, except in the case of a plant using methane from  
2 agricultural operations.

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

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

15 (1) ~~SPEED~~ Standard Offer Facilitator; expenses; payments. With respect to  
16 standard offers under this section, the Board shall ~~by rule or order~~:

17 (1) ~~Determine~~ determine a ~~SPEED~~ Standard Offer Facilitator's  
18 reasonable expenses arising from its role and the allocation of the expenses  
19 among plant owners and Vermont retail electricity providers;



1 may allocate the expense in the same manner as the ~~SPEED~~ Standard Offer  
2 Facilitator's costs under subdivision (1)(1) of this section.

3 (r) State; nonliability. The State and its instrumentalities shall not be liable  
4 to a plant owner or retail electricity provider with respect to any matter related  
5 to the standard offer program, including costs associated with a standard offer  
6 contract or any damages arising from the breach of such a contract, the flow of  
7 power between a plant and the electric grid, or the interconnection of a plant to  
8 that grid.

9 Sec. 5. INTENT; AMENDMENT OF 30 V.S.A. § 8005a

10 The General Assembly's intent in the amendments to 30 V.S.A. § 8005a set  
11 forth in Sec. 4 of this act is to clarify the text because of the repeal of the  
12 Sustainably Priced Energy Enterprise Development Program in Sec. 3 of this  
13 act and to move provisions relating to the standard offer program from  
14 30 V.S.A. § 8005 into section 8005a. The General Assembly does not intend  
15 any provision of this act to be interpreted as a substantive change to the  
16 standard offer program.

17 Sec. 6. 30 V.S.A. § 8005b is amended to read:

18 § 8005b. RENEWABLE ENERGY PROGRAMS; BIENNIAL REPORT

19 (a) On or before January 15, 2013, and no later than every second  
20 January 15 thereafter through January 15, 2033, the Board shall file a report  
21 with the General Assembly in accordance with this section. The Board shall

1 prepare the report in consultation with the Department. The provisions of  
2 2 V.S.A. § 20(d) (expiration of required reports) shall not apply to the report to  
3 be made under this subsection.

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

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

9 (2) ~~The amount of SPEED resources~~ Each retail electricity provider's  
10 required amount of renewable energy during the preceding calendar year for  
11 each category of the RESET Program as set forth in section 8005 of this title.

12 (3) For the preceding calendar year, the amounts of renewable energy  
13 and tradeable renewable energy credits eligible to satisfy the requirements of  
14 sections 8004 and 8005 of this title actually owned by the Vermont retail  
15 electricity providers, expressed as a percentage of retail kWh sales. The report  
16 shall include the statewide total and the total owned by each retail electricity  
17 provider for each of these amounts and shall discuss the progress of each  
18 provider toward achieving the goals and targets of subsection 8005(d)(SPEED)  
19 each of the categories set forth in section 8005 of this title. The report to be  
20 filed under this subsection on or before January 15, 2019 shall discuss and  
21 attach the Board's determination under subdivision 8005(d)(2)(2017 SPEED



1 ~~goal) of this title.~~ The report shall summarize the energy transformation  
2 projects undertaken pursuant to section 8005 of this title, their costs, their  
3 claimed avoided fossil fuel consumption and greenhouse gas emissions, and, if  
4 applicable, claimed energy savings.

5 ~~(3) A summary of the activities of the SPEED program under section~~  
6 ~~8005 of this title, including the name, location, plant capacity, and average~~  
7 ~~annual energy generation, of each SPEED resource within the program.~~

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

16 (5) An assessment of the energy efficiency and renewable energy  
17 markets and recommendations to the General Assembly regarding strategies  
18 that may be necessary to encourage the use of these resources to help meet  
19 upcoming supply requirements.

20 (6) An assessment of whether Vermont retail electric rates are rising  
21 faster than inflation as measured by the CPI, and a comparison of Vermont's

1 electric rates with electric rates in other New England states. If statewide  
2 average rates have risen more than 0.2 percentage points per year faster than  
3 inflation over the preceding two or more years, the report shall include an  
4 assessment of the contributions to rate increases from various sources, such as  
5 the costs of energy and capacity, costs due to construction of transmission and  
6 distribution infrastructure, and costs due to compliance with the requirements  
7 of section 8005a (~~SPEED program~~; standard offer) of this title. Specific  
8 consideration shall be given to the price of renewable energy and the diversity,  
9 reliability, availability, dispatch flexibility, and full life cycle cost, including  
10 environmental benefits and greenhouse gas reductions, on a net present value  
11 basis of renewable energy resources available from suppliers. The report shall  
12 include any recommendations for statutory change that arise from this  
13 assessment. If electric rates have increased primarily due to cost increases  
14 attributable to nonrenewable sources of electricity or to the electric  
15 transmission or distribution systems, the report shall include a recommendation  
16 regarding whether to increase the size of the annual increase described in  
17 subdivision 8005a(c)(1)(standard offer; cumulative capacity; pace) of this title.

18 (7)(A) An assessment of whether strict compliance with the  
19 requirements of section 8005a (~~SPEED program~~; standard offer) of this title:

1 (i) has caused one or more providers to raise its retail rates faster  
2 over the preceding two or more years than statewide average retail rates have  
3 risen over the same time period;

4 (ii) will cause retail rate increases particular to one or more  
5 providers; or

6 (iii) will impair the ability of one or more providers to meet the  
7 public's need for energy services in the manner set forth under subdivision  
8 218c(a)(1) of this title (least-cost integrated planning).

9 (B) Based on this assessment, consideration of whether statutory  
10 changes should be made to grant providers additional flexibility in meeting  
11 requirements of section 8005a of this title.

12 (8) Any recommendations for statutory change related to sections 8004,  
13 8005, and 8005a of this title.

14 Sec. 7. 30 V.S.A. § 8006 is amended to read:

15 § 8006. TRADEABLE CREDITS

16 (a) The Board shall establish or adopt a system of tradeable renewable  
17 energy credits for renewable resources that may be earned by electric  
18 generation qualifying for the renewables portfolio standard. The system shall  
19 be designed to be consistent with regional practices; shall recognize tradeable  
20 renewable energy credits monitored and traded on the New England  
21 Generation Information System (GIS); and shall provide a process for the

1 recognition, approval, and monitoring of environmental attributes and  
2 tradeable renewable energy credits associated with renewable energy that are  
3 eligible to satisfy the requirements of sections 8004 and 8005 of this title but  
4 are not monitored and traded on the GIS.

5 (b) The Board shall ensure that all electricity provider and provider-affiliate  
6 disclosures and representations made with regard to a provider's portfolio are  
7 accurate and reasonably supported by objective data. Further, the Board shall  
8 ensure that providers disclose the types of generation used ~~and whether the~~  
9 ~~energy is Vermont-based~~, and shall clearly distinguish between energy or  
10 tradeable energy credits provided from renewable and nonrenewable energy  
11 sources and existing and new ~~sources~~ renewable energy.

12 Sec. 8. PUBLIC SERVICE BOARD RULEMAKING

13 (a) On or before August 1, 2015, the Public Service Board (the Board) shall  
14 commence a rulemaking proceeding to adopt initial rules to implement Secs. 2  
15 (sales of electric energy; RESET Program), 3 (RESET Program categories),  
16 and 7 (tradeable renewable energy credits) of this act.

17 (b) On or before April 1, 2016, the Board shall submit final proposed rules  
18 under this section to the Secretary of State and the Legislative Committee on  
19 Administrative Rules pursuant to 3 V.S.A. § 841.

20 (c) On or before July 1, 2016, the Board shall finally adopt initial rules to  
21 implement Secs. 2, 3, and 7 of this act to take effect on January 1, 2017. If the

1 Board is unable to finally adopt these rules by July 1, 2016, the Board may  
2 issue an order by that date stating the requirements of the initial rules for the  
3 renewable portfolio standard to take effect on January 1, 2017, if that order is  
4 followed by final adoption of those initial rules for this program prior to  
5 January 1, 2017. Initial rules finally adopted under this subsection (c) shall not  
6 be subject to the requirement of 3 V.S.A. § 843(c) to finally adopt rules within  
7 eight months of the initial filing.

8 (d) The Board and the Department of Public Service may retain experts and  
9 other personnel to assist them with the rulemaking under this section and  
10 allocate the costs of these personnel to the electric distribution utilities in  
11 accordance with the procedures under 30 V.S.A. § 21.

12 \* \* \* Harvesting and Procurement \* \* \*

13 Sec. 9. 10 V.S.A. § 2751 is added to read:

14 § 2751. HARVESTING AND PROCUREMENT STANDARDS;

15 RENEWABLE ENERGY

16 (a) Definitions. As used in the section:

17 (1) “Commissioner” means the Commissioner of Forests, Parks and  
18 Recreation.

19 (2) “Distributed renewable generation” shall have the same meaning as  
20 in 30 V.S.A. § 8005.

1           (3) “Energy transformation project” shall have the same meaning as in  
2           30 V.S.A. § 8002.

3           (4) “RESET Program” shall have the same meaning as in 30 V.S.A.  
4           § 8002.

5           (b) Rules. The Commissioner shall adopt rules that set standards for  
6           harvesting and procurement of wood products used to generate energy by  
7           distributed renewable generation and energy transformation projects within the  
8           RESET Program. The Commissioner shall design the standards to ensure  
9           long-term forest health and sustainability.

10       Sec. 10. FOREST, PARKS AND RECREATION RULEMAKING

11           On or before July 1, 2016, the Commissioner of Forests, Parks and  
12           Recreation shall adopt initial rules under 10 V.S.A. § 2751.

13                     \* \* \* Environmental Attributes, Net Metering Systems \* \* \*

14       Sec. 11. 30 V.S.A. § 219a(h) is amended to read:

15           (h)(1) An electric company:

16                                     \* \* \*

17                     (I) ~~At the option of a net metering customer of the company, may~~  
18           Shall receive ownership of the environmental attributes of electricity generated  
19           by the customer’s net metering system, including ownership of any associated  
20           tradeable renewable energy credits, unless at the time of application for the  
21           system the customer elects not to transfer ownership of those attributes to the

1 company. ~~If a customer elects this option, the~~ The company shall retain  
2 ownership of and shall retire the attributes and credits received from ~~the~~  
3 ~~customer~~ its net metering customers, which shall apply toward compliance  
4 with ~~any statutes enacted or rules adopted by the State requiring the company~~  
5 ~~to own the environmental attributes of renewable energy~~ sections 8004 and  
6 8005 of this title.

7 \* \* \*

8 Sec. 12. 30 V.S.A. § 8010(c) is amended to read:

9 (c) In accordance with this section, the Board shall adopt and implement  
10 rules that govern the installation and operation of net metering systems.

11 (1) The rules shall establish and maintain a net metering program that:

12 \* \* \*

13 (F) balances, over time, the pace of deployment and cost of the  
14 program with the program's impact on rates; ~~and~~

15 (G) accounts for changes over time in the cost of technology; and

16 (H) allows a customer to retain ownership of the environmental  
17 attributes of energy generated by the customer's net metering system and of  
18 any associated tradeable renewable energy credits or to transfer those attributes  
19 and credits to the interconnecting retail provider, and:





1 subdivision (F), the Board shall consider the length of time over which to make  
2 the credit available and the relationship of that amount and length of time to  
3 the customer's ability to finance the net metering system, to the cost of that  
4 financing, and to the net present value to all ratepayers of the net metering  
5 program.

6 \* \* \*

7 \* \* \* Other Provisions \* \* \*

8 Sec. 13. 10 V.S.A. § 212(6)(M) is amended to read:

9 (M) ~~Sustainably Priced Energy Enterprise Development (SPEED)~~  
10 ~~resources~~ a renewable energy plant, as defined in 30 V.S.A. § 8002, if the  
11 construction of the plant requires a certificate of public good under 30 V.S.A.  
12 § 248 and all or part of the electricity generated by the plant will be under  
13 contract to a Vermont electric distribution utility;

14 Sec. 14. 30 V.S.A. § 218(f) is amended to read:

15 (f) Regulatory incentives for renewable generation.

16 (1) Notwithstanding any other provision of law, an electric distribution  
17 utility subject to rate regulation under this chapter shall be entitled to recover  
18 in rates its prudently incurred costs in applying for and seeking any certificate,  
19 permit, or other regulatory approval issued or to be issued by federal, State, or  
20 local government for the construction of new renewable energy to be sited in

1 Vermont, regardless of whether the certificate, permit, or other regulatory  
2 approval ultimately is granted.

3 (2) The Board is authorized to provide to an electric distribution utility  
4 subject to rate regulation under this chapter an incentive rate of return on  
5 equity or other reasonable incentive on any capital investment made by such  
6 utility in a renewable energy generation facility sited in Vermont.

7 (3) To encourage joint efforts on the part of electric distribution utilities  
8 to support renewable energy and to secure stable, long-term contracts  
9 beneficial to Vermonters, the Board may establish standards for preapproving  
10 the recovery of costs incurred on a renewable energy plant that is the subject of  
11 that joint effort, if the construction of the plant requires a certificate of public  
12 good under section 248 of this title and all or part of the electricity generated  
13 by the plant will be under contract to the utilities involved in that joint effort.

14 (4) ~~For the purpose of~~ In this subsection, “plant,” “renewable energy,”  
15 and “new renewable energy” shall be as defined in section 8002 of this title.

16 Sec. 15. 30 V.S.A. § 218c(b) is amended to read:

17 (b) Each regulated electric or gas company shall prepare and implement a  
18 least cost integrated plan for the provision of energy services to its Vermont  
19 customers. At least every third year on a schedule directed by the Public  
20 Service Board, each such company shall submit a proposed plan to the  
21 Department of Public Service and the Public Service Board. The Board, after

1 notice and opportunity for hearing, may approve a company's least cost  
2 integrated plan if it determines that the company's plan complies with the  
3 requirements of subdivision (a)(1) of this section and ~~is reasonably consistent~~  
4 ~~with achieving the goals and targets of subsection 8005(d)(2017 SPEED goal;~~  
5 ~~total renewables targets)~~ of sections 8004 and 8005 of this title.

6 Sec. 16. 30 V.S.A. § 248(r) is added to read:

7 (r) The Board may provide that in any proceeding under subdivision  
8 (a)(2)(A) of this section for the construction of a renewable energy plant, a  
9 demonstration of compliance with subdivision (b)(2) of this section, relating to  
10 establishing need for the plant, shall not be required if all or part of the  
11 electricity to be generated by the plant is under contract to one or more  
12 Vermont electric distribution companies and if no part of the plant is financed  
13 directly or indirectly through investments, other than power contracts, backed  
14 by Vermont electricity ratepayers. In this subsection, "plant" and "renewable  
15 energy" shall be as defined in section 8002 of this title.

16 Sec. 17. 30 V.S.A. § 8001(b) is amended to read:

17 (b) The Board shall ~~provide, by order or rule,~~ adopt the regulations rules  
18 and procedures that are necessary to allow the Board and the Department to  
19 implement and supervise programs pursuant to subchapter 1 of this chapter.

1                                   \* \* \* Technical Amendments \* \* \*

2       Sec. 18. 30 V.S.A. § 2(g) is amended to read:

3           (g) In all forums affecting policy and decision making for the New England  
4       region's electric system, including matters before the Federal Energy  
5       Regulatory Commission and the Independent System Operator of New  
6       England, the Department of Public Service shall advance positions that are  
7       consistent with the statutory policies and goals set forth in 10 V.S.A. §§ 578,  
8       580, and 581 and sections 202a, 8001, 8004, and 8005 of this title. In those  
9       forums, the Department also shall advance positions that avoid or minimize  
10      adverse consequences to Vermont and its ratepayers from regional and  
11      inter-regional cost allocation for transmission projects. This subsection shall  
12      not compel the Department to initiate or participate in litigation and shall not  
13      preclude the Department from entering into agreements that represent a  
14      reasonable advance to these statutory policies and goals.

15      Sec. 19. 30 V.S.A. § 219a(e)(3)(C) is amended to read:

16           (C) Any accumulated credits shall be used within 12 months, or shall  
17      revert to the electric company, without any compensation to the customer.  
18      ~~Power reverting to the electric company under this subdivision (3) shall be~~  
19      ~~considered SPEED resources under section 8005 of this title.~~

1 Sec. 20. REPEAL

2 30 V.S.A. § 219b(a)(5) (net metering systems; SPEED resources) is  
3 repealed.

4 Sec. 21. CONFORMING AMENDMENTS; RENEWABLE ENERGY

5 DEFINITIONS

6 (a) In 2014 Acts and Resolves No. 99, Sec. 3, in 30 V.S.A. § 8002(8)  
7 (existing renewable energy) and (17) (new renewable energy), each occurrence  
8 of “December 31, 2004” is amended to “June 30, 2015.” The Office of  
9 Legislative Counsel shall implement these amendments during statutory  
10 revision.

11 (b) 2014 Acts and Resolves No. 99, Sec. 3 is amended to read:

12 Sec. 3. 30 V.S.A. § 8002 is amended to read:

13 § 8002. DEFINITIONS

14 As used in this chapter:

15 \* \* \*

16 (24) ~~“SPEED Standard Offer Facilitator”~~ means an entity appointed by  
17 the Board pursuant to ~~subdivision 8005(b)(1)~~ subsection 8005a(a) of this title.

18 (25) ~~“SPEED resources” means contracts for resources in the SPEED~~  
19 ~~program established under section 8005 of this title that meet the definition of~~  
20 ~~renewable energy under this section, whether or not environmental attributes~~  
21 ~~are attached.~~ [Repealed.]

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21

\* \* \*

(28) “Energy transformation project” means an undertaking that provides energy-related goods or services but does not include or consist of the generation of electricity and that results in a net reduction in fossil fuel consumption by the customers of a retail electricity provider and in the emission of greenhouse gases attributable to that consumption. Examples of energy transformation projects may include home weatherization or other thermal energy efficiency measures; air source or geothermal heat pumps; electric vehicle charging stations; and infrastructure for the storage of renewable energy on the electric grid.

(29) “RESET Program” means the Renewable Energy Standard and Energy Transformation Program established under sections 8004 and 8005 of this title.

Sec. 22. 30 V.S.A. § 8009 is amended to read:

§ 8009. BASELOAD RENEWABLE POWER PORTFOLIO

REQUIREMENT

\* \* \*

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

(1) The ~~SPEED~~ Standard Offer Facilitator shall purchase the baseload renewable power, and shall allocate the electricity purchased and any

1 associated costs ~~shall be allocated by the SPEED Facilitator~~ to the Vermont  
2 retail electricity providers based on their pro rata share of total Vermont retail  
3 kWh sales for the previous calendar year, and the Vermont retail electricity  
4 providers shall accept and pay those costs.

5 \* \* \*

6 (i) The State and its instrumentalities shall not be liable to a plant owner or  
7 retail electricity provider with respect to any matter related to the baseload  
8 renewable power portfolio requirement or a plant used to satisfy such  
9 requirement, including costs associated with a contract related to such a plant  
10 or any damages arising from the breach of such a contract, the flow of power  
11 between a plant and the electric grid, or the interconnection of a plant to that  
12 grid. For the purpose of this section, the Board and the ~~SPEED~~ Standard Offer  
13 Facilitator constitute instrumentalities of the State.

14 \* \* \* Severability and Effective Dates \* \* \*

15 Sec. 23. SEVERABILITY

16 The provisions of this act are severable. If any provision of this act is  
17 invalid, or if any application of this act to any person or circumstance is  
18 invalid, the invalidity shall not affect other provisions or applications which  
19 can be given effect without the invalid provision or application.

1       Sec. 24. EFFECTIVE DATES

2           (a) This section and Secs. 8 (Public Service Board rulemaking), 10  
3       (Forests, Parks and Recreation rulemaking), and 23 (severability) shall take  
4       effect on passage.

5           (b) Secs. 1 through 7, 9, 11, and 13 through 22 shall take effect on July 1,  
6       2015. Sec. 11 (net metering systems; environmental attributes) shall not apply  
7       to complete applications filed prior to its effective date.

8           (c) Sec. 12 (net metering systems; environmental attributes) shall amend  
9       30 V.S.A. § 8010 as added effective January 1, 2017 by 2014 Acts and  
10       Resolves No. 99, Sec. 4. Sec. 12 shall take effect on January 2, 2017, except  
11       that, notwithstanding 1 V.S.A. § 214, the section shall apply to the Public  
12       Service Board process under 2014 Acts and Resolves No. 99, Sec. 5.