

VPIRG Testimony on H.40

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VPIRG supports the direction H.40 takes.

Broadly, VPIRG supports H.40 as an important step toward Vermont's renewable energy (90% by 2050) and greenhouse gas reduction (50% by 2028, 75% by 2050) goals. We have long supported establishing a Renewable Portfolio Standard (RPS) in Vermont and appreciate the months of groundwork that went into this proposal. We believe the proposal as it stands today is a step in the right direction. We support the direction this takes us in requiring the retirement of RECs, the construction of in-state renewables, and beginning to increase focus on two important pieces of our greenhouse gas equation- the heating and transportation sectors.

Why a Renewable Energy Standard and Energy Transformation Program?

First and foremost, 29 other states, including every other state in New England, already have Renewable Portfolio Standards that require electric utilities to provide renewable power for their customers. Every other state in the US that has a serious commitment to getting renewables built and reducing their carbon footprint has some version of an RPS. Vermont clearly shares that commitment – it's time that we join those ranks.

VPIRG's goals for clean energy policy:

- Address global warming.
- Reduce dependence on fossil fuels and nuclear power.
- Build a clean energy economy, with the associated jobs and economic benefits.

Requiring the retirement of RECs means that more renewables will be built, not just in Vermont but in the region as a whole, advancing each of these goals.

We believe a well-designed RPS would:

- 1) Set Vermont on a path to hit our energy and climate goals.
- 2) Complement existing programs
- 3) Ensure benefits through legislative guidance and regulatory oversight.

Suggestions and areas to highlight:

The legislature could provide more guidance to the Board for its rulemaking process outlined in the transformation sector:

- VPIRG strongly supports the transformation tier being mandatory for all utilities, to ensure that all Vermonters can take advantage of these opportunities.
- In the past, the Legislature has provided guidance to the Board in previous Acts to direct its decision-making process: see regulation of Efficiency Vermont and the Net Metering redesign process outlined in Act 99. We would suggest that the Committee clarify boundaries for this provision.

Allow for growth of the net metering program within the DG tier.

- Provide the Board with the discretion to increase the annual rate of growth of the DG tier should net metering outpace that tier's requirements.

Interplay with Act 99 (net metering redesign) at the Public Service Board:

- Page 40, lines 1-3: "If the customer retains the attributes, reduces the value of the credit provided under this section for electricity generated by the customer's net metering system by the value of the attributes". With the Board determining the credit given for net metered energy separately from its determination under this section of the "value of the attributes" from net metering systems, this language could result in net metering customers receiving a credit per kWh that is less than the retail rate for electricity, in cases where customers decide to retain the environmental attributes of their systems.