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H.40

Representative Turner of Milton moves that the bill be amended by striking out all after the enacting clause and inserting in lieu thereof the following:

* * * Renewable Energy Standard * * *

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

§ 8002. DEFINITIONS

As used in this chapter:

* * *

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

* * *

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

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

(B) “New renewable energy” also may include the additional energy from an existing renewable energy plant retrofitted with advanced technologies or otherwise operated, modified, or expanded to increase the kWh output of the

1 plant in excess of an historical baseline established by calculating the average
2 output of that plant for the 10-year period that ended ~~December 31, 2004~~
3 June 30, 2015. If the production of new renewable energy through changes in
4 operations, modification, or expansion involves combustion of the resource,
5 the system also must result in an incrementally higher level of energy
6 conversion efficiency or significantly reduced emissions.

7 * * *

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

11 (A) For purposes of this subdivision (17), methane gas and other
12 flammable gases produced by the decay of sewage treatment plant wastes or
13 landfill wastes and anaerobic digestion of agricultural products, byproducts, or
14 wastes, or of food wastes, shall be considered renewable energy resources, but
15 no other form of solid waste, other than ~~agricultural or silvicultural~~ waste, shall
16 be considered renewable.

17 (B) For purposes of this subdivision (17), no form of nuclear fuel
18 shall be considered renewable.

19 (C) The only portion of electricity produced by a system of
20 generating resources that shall be considered renewable is that portion

1 generated by a technology that qualifies as renewable under this
2 subdivision (17).

3 (D) The Board by rule may add technologies or technology
4 categories to the definition of “renewable energy,” provided that technologies
5 using the following fuels shall not be considered renewable energy supplies:
6 coal, oil, propane, and natural gas.

7 (E) In this chapter, renewable energy refers to either “existing
8 renewable energy” or “new renewable energy.”

9 * * *

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

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

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

18 (22) “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 * * *

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

12 (25) “RES” means the Renewable Energy Standard established under
13 sections 8004 and 8005 of this title.

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

15 § 8004. ~~RENEWABLE PORTFOLIO STANDARDS FOR SALES OF~~

16 ELECTRIC ENERGY; RENEWABLE ENERGY STANDARD

17 (a) ~~Except as otherwise provided in section 8005 of this title, in order for~~
18 ~~Vermont retail electricity providers to achieve the goals established in section~~
19 ~~8001 of this title, no~~ Establishment; requirements. The RES is established.
20 Under this standard, a retail electricity provider shall not sell or otherwise
21 provide or offer to sell or provide electricity in the State of Vermont without

1 ownership of sufficient energy produced by renewable resources as described
2 in this chapter, energy plants or sufficient tradeable renewable energy credits
3 from plants whose energy is capable of delivery in New England that reflect
4 the required amounts of renewable energy as provided for in subsection (b) of
5 this section set forth in section 8005 of this title. ~~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 retail electricity provider in Vermont shall provide a certain~~
9 ~~amount of new renewable resources in its portfolio. Subject to subdivision~~
10 ~~8005(d)(1) of this title each retail electricity provider in Vermont shall supply~~
11 ~~an amount of energy equal to its total incremental energy growth between~~
12 ~~January 1, 2005 and January 1, 2012 through the use of electricity generated by~~
13 ~~new renewable resources. The A retail electricity provider may meet this~~
14 ~~requirement~~ the required amounts of renewable energy through eligible new
15 tradeable renewable energy credits, new eligible renewable energy resources
16 with ~~renewable energy credits~~ environmental attributes still attached, or a
17 combination of those credits and resources. ~~No retail electricity provider shall~~
18 ~~be required to provide in excess of a total of 10 percent of its calendar year~~
19 ~~2005 retail electric sales with electricity generated by new renewable~~
20 ~~resources.~~

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

7 ~~(d)(b) Rules; procedures.~~ The Board shall ~~provide, by order or rule, adopt~~
8 ~~the regulations and rules or~~ procedures that are necessary to allow the Board
9 and the Department to implement and supervise further the implementation
10 and maintenance of a renewable portfolio standard the RES.

11 (c) RECS; banking. The Board shall allow a provider that has met the
12 required amount of renewable energy in a given year, commencing with 2017,
13 to retain tradeable renewable energy credits created or purchased in excess of
14 that amount for application to the provider's required amount of renewable
15 energy in one of the following three years.

16 ~~(e)(d) Alternative compliance payment.~~ In lieu of, ~~or in addition to~~
17 purchasing renewable energy or tradeable renewable energy credits to satisfy
18 the ~~portfolio~~ requirements of this section and section 8005 of this title, a retail
19 electricity provider in this State may pay to the Vermont Clean Energy
20 Development Fund established under section 8015 of this title ~~an amount per~~
21 ~~kWh as established by the Board~~ an alternative compliance payment at the

1 applicable rate set forth in section 8005. ~~As an alternative, the Board may~~
2 ~~require any proportion of this amount to be paid to the Energy Conservation~~
3 ~~Fund established under subsection 209(d) of this title.~~

4 (e) VPPSA members. In the case of members of the Vermont Public
5 Power Supply Authority, the requirements of this chapter may be met in the
6 aggregate.

7 (f) Joint efforts. Retail electricity providers may engage in joint efforts to
8 meet one or more categories within the RES.

9 ~~(f) Before December 30, 2007 and biennially thereafter through~~
10 ~~December 30, 2013, the Board shall file a report with the Senate Committees~~
11 ~~on Finance and on Natural Resources and Energy and the House Committees~~
12 ~~on Commerce and on Natural Resources and Energy. The report shall include~~
13 ~~the following:~~

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

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

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

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

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

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

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

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

17 ~~(9) the Board's recommendations on how the State might best continue~~
18 ~~to meet the goals established in section 8001 of this title, including whether the~~
19 ~~State should meet its growth in energy usage over the succeeding 10 years by a~~
20 ~~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; RES~~

4 ~~CATEGORIES~~

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

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

12 ~~(1) Name one or more entities to become engaged in the purchase and~~
13 ~~resale of electricity generated within the State by means of SPEED resources.~~
14 ~~An entity appointed under this subdivision shall be known as a SPEED~~
15 ~~Facilitator.~~

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

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

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

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

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

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

19 ~~(8) Provide that in any proceeding under subdivision 248(a)(2)(A) of~~
20 ~~this title for the construction of a renewable energy plant, a demonstration of~~
21 ~~compliance with subdivision 248(b)(2) of this title, relating to establishing~~

1 need for the plant, shall not be required if the plant is a SPEED resource and if
2 no part of the plant is financed directly or indirectly through investments, other
3 than power contracts, backed by Vermont electricity ratepayers.

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

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

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

11 (1) ~~2012 SPEED goal. The Board shall meet on or before January 1,~~
12 ~~2012 and open a proceeding to determine the total amount of SPEED resources~~
13 ~~that have been supplied to Vermont retail electricity providers or have been~~
14 ~~issued a certificate of public good. If the Board finds that the amount of~~
15 ~~SPEED resources coming into service or having been issued a certificate of~~
16 ~~public good after January 1, 2005 and before July 1, 2012 equals or exceeds~~
17 ~~total statewide growth in electric retail sales during that time, and in addition,~~
18 ~~at least five percent of the 2005 total statewide electric retail sales is provided~~
19 ~~by SPEED resources or would be provided by SPEED resources that have been~~
20 ~~issued a certificate of public good, or if it finds that the amount of SPEED~~
21 ~~resources equals or exceeds 10 percent of total statewide electric retail sales for~~

1 ~~calendar year 2005, the portfolio standards established under this chapter shall~~
2 ~~not be in force. The Board shall make its determination by January 1, 2013. If~~
3 ~~the Board finds that the goal established has not been met, one year after the~~
4 ~~Board's determination the portfolio standards established under subsection~~
5 ~~8004(b) of this title shall take effect.~~

6 ~~(2) 2017 SPEED goal. A State goal is to assure that 20 percent of total~~
7 ~~statewide electric retail sales during the year commencing January 1, 2017~~
8 ~~shall be generated by SPEED resources that constitute new renewable energy.~~
9 ~~On or before January 31, 2018, the Board shall meet and open a proceeding to~~
10 ~~determine, for the calendar year 2017, the total amount of SPEED resources~~
11 ~~that were supplied to Vermont retail electricity providers and the total amount~~
12 ~~of statewide retail electric sales.~~

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

18 (a) Categories. This section specifies two categories of required resources
19 to meet the requirements of the RES established in section 8004 of this title:
20 total renewable energy and distributed renewable generation.

21 ~~(4)(1) Total renewables targets renewable energy. This~~

1 (A) Purpose; establishment. To encourage the economic and
2 environmental benefits of renewable energy, this subdivision establishes, as
3 percentages of annual electric sales, target for the RES, minimum total
4 amounts of ~~total~~ renewable energy within the supply portfolio of each retail
5 electricity provider. To satisfy this requirement, a provider may use
6 renewable energy with environmental attributes attached or any class of
7 tradeable renewable energy credits generated by any renewable energy plant
8 whose energy is capable of delivery in New England.

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

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

1 (C) Relationship between categories. Distributed renewable
2 generation used to meet the requirements of subdivision (2) of this subsection
3 shall also count toward the requirements of this subdivision.

4 (2) Distributed renewable generation.

5 (A) Purpose; establishment. This subsection establishes a distributed
6 renewable generation category for the RES. This category encourages the use
7 of distributed generation to support the reliability of the State’s electric system;
8 reduce line losses; contribute to avoiding or deferring improvements to that
9 system necessitated by transmission or distribution constraints; and diversify
10 the size and type of resources connected to that system. This category requires
11 the use of renewable energy for these purposes to reduce environmental and
12 health impacts from air emissions that would result from using other forms of
13 generation.

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

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

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

20 (II) is directly connected to the transmission system of an
21 electric company required to submit a Transmission System Plan under

1 subsection 218c(d) of this title, if the plant is part of a plan approved by the
2 Board to avoid or defer a transmission system improvement needed to address
3 a transmission system reliability deficiency identified and analyzed in that
4 Plan; or

5 (ii) a net metering system approved under the former section 219a
6 or under section 8010 of this title if the system is new renewable energy and
7 the interconnecting retail electricity provider owns and retires the system's
8 environmental attributes.

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

14 (D) Distributed generation greater than five MW. On petition of a
15 retail electricity provider, the Board may for a given year allow the provider to
16 employ energy with environmental attributes attached or tradeable renewable
17 energy credits from a renewable energy plant with a plant capacity greater than
18 five MW to satisfy the distributed renewable generation requirement if the
19 plant would qualify as distributed renewable generation but for its plant
20 capacity and the provider demonstrates that it is unable during that year to
21 meet the requirement solely with qualifying renewable energy plants of five

1 MW or less. To demonstrate this inability, the provider shall issue one or more
2 requests for proposals, and show that it is unable to obtain sufficient ownership
3 of environmental attributes to meet its required amount under this subdivision
4 (2) from:

5 (i) the construction and interconnection to its system of distributed
6 renewable generation that is consistent with its approved least-cost integrated
7 resource plan under section 218c of this title at a cost less than or equal to the
8 sum of the applicable alternative compliance payment rate and the applicable
9 rates published by the Department under the Board’s rules implementing
10 subdivision 209(a)(8) of this title; and

11 (ii) purchase of tradeable renewable energy credits for distributed
12 renewable generation at a cost that is less than the applicable alternative
13 compliance rate.

14 (3) Alternative compliance rates.

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

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

18 (ii) distributed renewable generation requirement – \$0.06 per
19 kWh.

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

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

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

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

9 (B) commencing on January 1, 2017, owns and has retired tradeable
10 renewable energy credits monitored and traded on the New England
11 Generation Information System or otherwise approved by the Board equivalent
12 to 100 percent of the provider's total retail sales of electricity, calculated as an
13 average on an annual basis.

14 (2) A provider meeting the requirements of subdivision (1) of this
15 subsection may satisfy the distributed renewable generation requirement of this
16 section by accepting net metering systems within its service territory pursuant
17 to the provisions of this title that govern net metering; and

18 (c) Biomass.

19 (1) Distributed renewable generation that employs biomass to produce
20 electricity shall be eligible to count toward a provider's distributed renewable
21 generation requirement only if the plant produces both electricity and thermal

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

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

6 (d) Hydropower. A hydroelectric renewable energy plant shall be eligible
7 to satisfy the distributed renewable generation requirement only if, in addition
8 to meeting the definition of distributed renewable generation, the plant:

9 (1) is and continues to be certified by the Low-impact Hydropower
10 Institute; or

11 (2) after January 1, 1987, received a water quality certification pursuant
12 to 33 U.S.C. § 1341 from the Agency of Natural Resources.

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

19 ~~(f) Preapproval. In order to encourage joint efforts on the part of regulated~~
20 ~~companies to purchase power that meets or exceeds the SPEED standards and~~
21 ~~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 to 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 electricity providers

1 purchasing power from the plant, except in the case of a plant using methane
2 from 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 (2) ~~Determine~~ determine the manner and timing of payments by a
2 ~~SPEED Standard Offer~~ Facilitator to plant owners for energy purchased under
3 an executed contract for a standard offer-;

4 (3) ~~Determine~~ determine the manner and timing of payments to the
5 ~~SPEED Standard Offer~~ Facilitator by the Vermont retail electricity providers
6 for energy distributed to them under executed contracts for standard offers-;

7 (4) ~~Establish~~ establish reporting requirements of a ~~SPEED Standard~~
8 Offer Facilitator, a plant owner, and a Vermont retail electricity provider.

9 * * *

10 (n) Wood biomass. ~~Wood~~ In addition to the other requirements of this
11 section, wood biomass resources ~~that would otherwise constitute qualifying~~
12 ~~SPEED resources~~ may receive a standard offer under this section only if they
13 have a design system efficiency (the sum of full load design thermal output and
14 electric output divided by the heat input) of at least 50 percent.

15 * * *

16 (q) Allocation of regulatory costs. The Board and Department may
17 authorize or retain legal counsel, official stenographers, expert witnesses,
18 advisors, temporary employees, and research services in conjunction with
19 implementing their responsibilities under this section. In lieu of allocating
20 such costs pursuant to subsection 21(a) of this title, the Board or Department

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. The Standard Offer Facilitator described in Sec. 4 of
17 this act shall be the successor to the SPEED Facilitator under 30 V.S.A.
18 §§ 8005 and 8005a as they existed prior to this act.

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

2 § 8005b. RENEWABLE ENERGY PROGRAMS; ~~BIENNIAL REPORT~~
3 REPORTS

4 (a) ~~On or before January 15, 2013 and no later than every second~~
5 ~~January 15 thereafter through January 15, 2033, the Board~~ The Department
6 shall file a ~~report~~ reports with the General Assembly in accordance with this
7 section. ~~The Board shall prepare the report in consultation with the~~
8 ~~Department.~~

9 (1) The House Committee on Commerce and Economic
10 Development, the Senate Committee on Finance, and the House and Senate
11 Committees on Natural Resources and Energy each shall receive a copy of
12 these reports.

13 (2) The Department shall file the report under subsection (b) of this
14 section annually each January 15 commencing in 2018 through 2033.

15 (3) The Department shall file the report under subsection (c) of this
16 section biennially each March 1 commencing in 2017 through 2033.

17 (4) The provisions of 2 V.S.A. § 20(d) (expiration of required
18 reports) shall not apply to the reports to be made under this section.

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

1 (1) An assessment of the costs and benefits of the RES based on the
2 most current available data, including rate and economic impacts, customer
3 savings, technology deployment, greenhouse gas emission reductions
4 achieved, fuel price stability, and effect on transmission and distribution
5 upgrade costs, and any recommended changes based on this assessment.

6 (2) An assessment of whether the requirements of the RES have been
7 met to date, and any recommended changes needed to achieve those
8 requirements.

9 (c) The biennial report under this section shall include at least each of the
10 following:

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

14 (2) ~~The amount of SPEED resources~~ Commencing with the report to be
15 filed in 2019, each retail electricity provider's required amount of renewable
16 energy during the two preceding calendar years for each category of the RES
17 as set forth in section 8005 of this title.

18 (3) For the two preceding calendar years, the amounts of renewable
19 energy and tradeable renewable energy credits eligible to satisfy the
20 requirements of sections 8004 and 8005 of this title actually owned by the
21 Vermont retail electricity providers, expressed as a percentage of retail kWh

1 sales. The report shall include the statewide total and the total owned by each
2 retail electricity provider for each of these amounts and shall discuss the
3 progress of each provider toward achieving ~~the goals and targets of subsection~~
4 ~~8005(d)(SPEED)~~ each of the categories set forth in section 8005 of this title.

5 ~~The report to be filed under this subsection on or before January 15, 2019 shall~~
6 ~~discuss and attach the Board's determination under subdivision~~
7 ~~8005(d)(2)(2017 SPEED goal) of this title.~~

8 ~~(3) A summary of the activities of the SPEED program under section~~
9 ~~8005 of this title, including the name, location, plant capacity, and average~~
10 ~~annual energy generation, of each SPEED resource within the program.~~

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

19 (5) An assessment of the energy efficiency and renewable energy
20 markets and recommendations to the General Assembly regarding strategies

1 that may be necessary to encourage the use of these resources to help meet
2 upcoming supply requirements.

3 (6) An assessment of whether Vermont retail electric rates are rising
4 faster than inflation as measured by the CPI, and a comparison of Vermont's
5 electric rates with electric rates in other New England states and in New York.
6 If statewide average rates have risen ~~more than 0.2 percentage points per year~~
7 faster than inflation over the preceding two or more years, the report shall
8 include an assessment of the contributions to rate increases from various
9 sources, such as the costs of energy and capacity, costs due to construction of
10 transmission and distribution infrastructure, and costs due to compliance with
11 the requirements of sections 8004 and 8005 (RES) and section 8005a (~~SPEED~~
12 ~~program~~; standard offer) of this title. Specific consideration shall be given to
13 the price of renewable energy and the diversity, reliability, availability,
14 dispatch flexibility, and full life cycle cost, including environmental benefits
15 and greenhouse gas reductions, on a net present value basis of renewable
16 energy resources available from suppliers. The report shall include any
17 recommendations for statutory change that arise from this assessment. If
18 electric rates have increased primarily due to cost increases attributable to
19 nonrenewable sources of electricity or to the electric transmission or
20 distribution systems, the report shall include a recommendation regarding

1 whether to increase the size of the annual increase described in subdivision
2 8005a(c)(1)(standard offer; cumulative capacity; pace) of this title.

3 (7)(A) ~~An~~ Commencing with the report to be filed in 2019, an
4 assessment of whether strict compliance with the requirements of sections
5 8004 and 8005 (RES) and section 8005a (~~SPEED program~~; standard offer) of
6 this title:

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

10 (ii) will cause retail rate increases particular to one or more
11 providers; or

12 (iii) will impair the ability of one or more providers to meet the
13 public's need for energy services in the manner set forth under subdivision
14 218c(a)(1) of this title (least-cost integrated planning).

15 (B) Based on this assessment, consideration of whether statutory
16 changes should be made to grant providers additional flexibility in meeting
17 requirements of sections 8004 and 8005 or section 8005a of this title.

18 (8) Any recommendations for statutory change related to sections 8004,
19 8005, and 8005a of this title.

1 (d) During the preparation of reports under this section, the Department
2 shall provide an opportunity for the public to submit relevant information and
3 recommendations.

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

5 § 8006. TRADEABLE CREDITS; ENVIRONMENTAL ATTRIBUTES;
6 RECOGNITION, MONITORING, AND DISCLOSURE

7 (a) The Board shall establish or adopt a system of tradeable renewable
8 energy credits for renewable resources that may be earned by electric
9 generation qualifying for the ~~renewables portfolio standard~~ RES. The system
10 ~~shall be designed to~~ recognize tradeable renewable energy credits monitored
11 and traded on the New England Generation Information System (GIS); shall
12 provide a process for the recognition, approval, and monitoring of
13 environmental attributes attached to renewable energy that are eligible to
14 satisfy the requirements of sections 8004 and 8005 of this title but are not
15 monitored and traded on the GIS; and shall otherwise be consistent with
16 regional practices.

17 (b) The Board shall ensure that all electricity provider and provider-affiliate
18 disclosures and representations made with regard to a provider's portfolio are
19 accurate and reasonably supported by objective data. Further, the Board shall
20 ensure that providers disclose the types of generation used ~~and whether the~~
21 ~~energy is Vermont based,~~ and shall clearly distinguish between energy or

1 tradeable energy credits provided from renewable and nonrenewable energy
2 sources and existing and new ~~sources~~ renewable energy.

3 Sec. 8. PUBLIC SERVICE BOARD RULEMAKING

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

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

11 (c) On or before July 1, 2016, the Board shall finally adopt initial rules to
12 implement Secs. 2, 3, and 7 of this act to take effect on January 1, 2017. If the
13 Board is unable to finally adopt these rules by July 1, 2016, the Board may
14 issue an order by that date stating the requirements of the initial rules for the
15 RES to take effect on January 1, 2017, if that order is followed by final
16 adoption of those initial rules for this standard prior to January 1, 2017. Initial
17 rules finally adopted under this subsection (c) shall not be subject to the
18 requirement of 3 V.S.A. § 843(c) to finally adopt rules within eight months of
19 the initial filing.

20 (d) The Board and the Department of Public Service may retain experts and
21 other personnel to assist them with the rulemaking under this section and

1 allocate the costs of these personnel to the electric distribution utilities in
2 accordance with the process under 30 V.S.A. § 21.

3 * * * Harvesting and Procurement * * *

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

5 § 2751. BIOMASS RENEWABILITY STANDARDS; RES

6 (a) Definitions. As used in this section:

7 (1) “Commissioner” means the Commissioner of Forests, Parks and
8 Recreation.

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

11 (3) “Renewability” means capable of being replaced by natural
12 ecological processes or sound management practices.

13 (4) “RES” shall have the same meaning as in 30 V.S.A. § 8002.

14 (b) Rules. The Commissioner shall adopt rules that set renewability
15 standards for forest products used to generate energy by distributed renewable
16 generation awithin the RES. The Commissioner shall design the standards to
17 ensure long-term forest health and sustainability. These standards may
18 requirements for harvesting and procurement. In developing these rules, the
19 Commissioner shall consider differentiating the standards by type of forest
20 product and scale of forest product consumption.

1 Sec. 10. FOREST, PARKS AND RECREATION RULEMAKING

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

4 * * * Environmental Attributes, Net Metering Systems * * *

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

6 (h)(1) An electric company:

7 * * *

8 (I) ~~At the option of a net metering customer of the company, may~~
9 Shall receive ownership of the environmental attributes of electricity generated
10 by the customer's net metering system, including ownership of any associated
11 tradeable renewable energy credits, unless at the time of application for the
12 system the customer elects not to transfer ownership of those attributes to the
13 company. ~~If a customer elects this option, the~~ The company shall retain
14 ownership of and shall retire the attributes and credits received from ~~the~~
15 ~~customer~~ its net metering customers, which shall apply toward compliance
16 with ~~any statutes enacted or rules adopted by the State requiring the company~~
17 ~~to own the environmental attributes of renewable energy~~ sections 8004 and
18 8005 of this title.

19 * * *

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

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

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

5 * * *

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

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

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

13 (i) if the customer retains the attributes, reduces the value of the
14 credit provided under this section for electricity generated by the customer's
15 net metering system by an appropriate amount; and

16 (ii) if the customer transfers the attributes to the interconnecting
17 provider, requires the provider to retain them for application toward
18 compliance with sections 8004 and 8005 of this title.

19 (2) The rules shall include provisions that govern:

20 * * *

1 (E) the formation of group net metering systems, the resolution of
2 disputes between group net metering customers and the interconnecting
3 provider, and the billing, crediting, and disconnection of group net metering
4 customers by the interconnecting provider; and

5 (F) the amount of the credit to be assigned to each kWh of electricity
6 generated by a net metering customer in excess of the electricity supplied by
7 the interconnecting provider to the customer, the manner in which the
8 customer's credit will be applied on the customer's bill, and the period during
9 which a net metering customer must use the credit, after which the credit shall
10 revert to the interconnecting provider; ~~and~~

11 ~~(G) the ownership and transfer of the environmental attributes of~~
12 ~~energy generated by net metering systems and of any associated tradeable~~
13 ~~renewable energy credits. When assigning an amount of credit under this~~
14 ~~subdivision (F), the Board shall consider making multiple lengths of time~~
15 ~~available over which a customer may take a credit and differentiating the~~
16 ~~amount according to the length of time chosen. For example, a credit amount~~
17 ~~may be higher if taken over 10 years and lower if taken over 20 years. Factors~~
18 ~~relevant to this consideration shall include the customer's ability to finance the~~
19 ~~net metering system, the cost of that financing, and the net present value to all~~
20 ~~ratepayers of the net metering program.~~

21 * * *

1 * * * Clean Energy Development Fund * * *

2 Sec. 13. 30 V.S.A. § 8015 is amended to read:

3 § 8015. VERMONT CLEAN ENERGY DEVELOPMENT FUND

4 * * *

5 (d) Expenditures authorized.

6 * * *

7 (3) ~~A grant in lieu of a solar energy tax credit in accordance with~~
8 ~~32 V.S.A. § 5930z(f). Of any Fund monies unencumbered by such grants, the~~
9 ~~first \$2.3 million shall fund the Small-scale Renewable Energy Incentive~~
10 ~~Program described in subdivision (1)(E)(ii) of this subsection.~~

11 ~~(4) A sum equal to the cost for the 2010 and preceding tax years of the~~
12 ~~business solar energy income tax credits authorized in 32 V.S.A. §§ 5822(d)~~
13 ~~and 5930z(a), net of any such costs for which a transfer has already been made~~
14 ~~under this subdivision and of the cost of any credits in lieu of which the~~
15 ~~taxpayer elects to receive a grant, shall be transferred from the Clean Energy~~
16 ~~Development Fund to the General Fund. Notwithstanding any contrary~~
17 ~~provision of this section, the Clean Energy Development Fund shall use all of~~
18 ~~the monies from alternative compliance payments under sections 8004 and~~
19 ~~8005 of this title for projects that constitute distributed renewable generation~~
20 ~~under section 8005 of this title. The Fund shall implement projects in the~~
21 ~~service territory of the retail electricity provider or providers making the~~

1 alternative compliance payments used to support the projects. A provider shall
2 not count, toward its required amounts under section 8005 of this title, support
3 provided by the Fund for distributed renewable generation.

4 * * *

5 * * * Other Provisions * * *

6 Sec. 14. 10 V.S.A. § 212(6)(M) is amended to read:

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

12 Sec. 14a. 30 V.S.A. § 209(d) is amended to read:

13 (d) Energy efficiency.

14 * * *

15 (3) Energy efficiency charge; regulated fuels. In addition to its existing
16 authority, the Board may establish by order or rule a volumetric charge to
17 customers for the support of energy efficiency programs that meet the
18 requirements of section 218c of this title. The charge shall be known as the
19 energy efficiency charge, shall be shown separately on each customer's bill,
20 and shall be paid to a fund administrator appointed by the Board and deposited
21 into an Electric Efficiency Fund. When such a charge is shown, notice as to

1 how to obtain information about energy efficiency programs approved under
2 this section shall be provided in a manner directed by the Board. This notice
3 shall include, at a minimum, a toll-free telephone number, and to the extent
4 feasible shall be on the customer's bill and near the energy efficiency charge.

5 (A) Balances in the Electric Efficiency Fund shall be ratepayer funds,
6 shall be used to support the activities authorized in this subdivision, and shall
7 be carried forward and remain in the Fund at the end of each fiscal year. These
8 monies shall not be available to meet the general obligations of the State.

9 Interest earned shall remain in the Fund. The Board will annually provide the
10 General Assembly with a report detailing the revenues collected and the
11 expenditures made for energy efficiency programs under this section. The
12 provisions of 2 V.S.A. § 20(d) (expiration of required reports) shall not apply
13 to the report to be made under this subsection.

14 (B) The charge established by the Board pursuant to this subdivision
15 (3) shall be in an amount determined by the Board by rule or order that is
16 consistent with the principles of least cost integrated planning as defined in
17 section 218c of this title.

18 (i) As circumstances and programs evolve, the amount of the
19 charge shall be reviewed for unrealized energy efficiency potential and shall be
20 adjusted as necessary in order to realize all reasonably available, cost-effective
21 energy efficiency savings. In setting the amount of the charge and its

1 allocation, the Board shall determine an appropriate balance among the
2 following objectives; provided, however, that particular emphasis shall be
3 accorded to the first four of these objectives: reducing the size of future power
4 purchases; reducing the generation of greenhouse gases; limiting the need to
5 upgrade the State’s transmission and distribution infrastructure; minimizing the
6 costs of electricity; reducing Vermont’s total energy demand, consumption,
7 and expenditures; providing efficiency and conservation as a part of a
8 comprehensive resource supply strategy; providing the opportunity for all
9 Vermonters to participate in efficiency and conservation programs; and
10 targeting efficiency and conservation efforts to locations, markets, or
11 customers where they may provide the greatest value. However, in no event
12 shall an energy efficiency charge imposed prior to February 1, 2018 exceed the
13 following rates:

14 (I) residential customer – \$0.01173 per kilowatt hour (kWh);

15 (II) commercial customer, no demand charge – \$0.0108 per
16 kWh;

17 (III) commercial customer, demand charge – \$0.00648 per
18 kWh plus \$1.0543 per kilowatt (kW);

19 (IV) industrial customer, no demand charge – \$0.00719 per
20 kWh; and

1 (V) industrial customers, demand charge – \$0.00484 per kWh
2 plus \$1.1344 per kW.

3 (ii) The Board, by rule or order, shall establish a process by which
4 a customer who pays an average annual energy efficiency charge under this
5 subdivision (3) of at least \$5,000.00 may apply to the Board to self-administer
6 energy efficiency through the use of an energy savings account which shall
7 contain a percentage of the customer’s energy efficiency charge payments as
8 determined by the Board. The remaining portion of the charge shall be used
9 for systemwide energy benefits. The Board in its rules or order shall establish
10 criteria for approval of these applications.

11 Sec. 14b. JOINT ENERGY COMMITTEE; RECOMMENDATION

12 (a) On or before February 15, 2016, the Joint Energy Committee under
13 2 V.S.A. chapter 17 shall submit a recommendation to the House Committee
14 on Commerce and Economic Development, Senate Committee on Finance,
15 House Committee on Ways and Means, and House and Senate Committees on
16 Natural Resources and Energy on whether the General Assembly should make
17 permanent or revise the cap on energy efficiency charge rates adopted under
18 Sec. 14a of this act, 30 V.S.A. § 209(d), or allow that cap to expire in 2018.

19 (b) Prior to submitting its recommendation under this section, the Joint
20 Energy Committee shall offer an opportunity for comment by affected State

1 agencies; utilities; appointed energy efficiency entities; advocates for business,
2 consumer, and environmental interests; and members of the public.

3 (c) For the purpose of this section, the Joint Energy Committee may meet
4 no more than four times during adjournment without prior approval of the
5 Speaker of the House and the President Pro Tempore of the Senate.

6 Sec. 15. 30 V.S.A. § 209(j) is amended to read:

7 (j) Self-managed energy efficiency programs.

8 * * *

9 (4) All of the following shall apply to a class of programs under this
10 subsection:

11 (A) A member of the transmission or industrial electric rate classes
12 shall be eligible to apply to participate in the self-managed energy efficiency
13 program class if the charges to the applicant, or to its predecessor in interest at
14 the served property, under subdivision (d)(3) of this section were a minimum
15 of \$1.5 million during calendar year 2008.

16 * * *

17 Sec. 16. 30 V.S.A. § 218(f) is amended to read:

18 (f) Regulatory incentives for renewable generation.

19 (1) Notwithstanding any other provision of law, an electric distribution
20 utility subject to rate regulation under this chapter shall be entitled to recover
21 in rates its prudently incurred costs in applying for and seeking any certificate,

1 permit, or other regulatory approval issued or to be issued by federal, State, or
2 local government for the construction of new renewable energy to be sited in
3 Vermont, regardless of whether the certificate, permit, or other regulatory
4 approval ultimately is granted.

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

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

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

18 Sec. 17. 30 V.S.A. § 218c(b) is amended to read:

19 (b) Each regulated electric or gas company shall prepare and implement a
20 least cost integrated plan for the provision of energy services to its Vermont
21 customers. At least every third year on a schedule directed by the Public

1 Service Board, each such company shall submit a proposed plan to the
2 Department of Public Service and the Public Service Board. The Board, after
3 notice and opportunity for hearing, may approve a company's least cost
4 integrated plan if it determines that the company's plan complies with the
5 requirements of subdivision (a)(1) of this section and ~~is reasonably consistent~~
6 ~~with achieving the goals and targets of subsection 8005(d)(2017 SPEED goal;~~
7 ~~total renewables targets)~~ of sections 8004 and 8005 of this title.

8 Sec. 18. 30 V.S.A. § 219a(m) and (n) are amended to read:

9 (m)(1) A facility for the generation of electricity to be consumed primarily
10 by the Military Department established under 3 V.S.A. § 212 and 20 V.S.A.
11 § 361(a) or the National Guard as defined in 32 U.S.C. § 101(3), and installed
12 on property of the Military Department or National Guard located in Vermont,
13 shall be considered a net metering system for purposes of this section if it
14 has a capacity of 2.2 MW or less and meets the provisions of subdivisions
15 (a)(6)(B)-(D) of this section.

16 (2) If the interconnecting electric company agrees, a solar facility or
17 group of solar facilities for the generation of electricity, to be installed by or on
18 behalf of one or more municipalities on a closed landfill, shall be considered a
19 net metering system for purposes of this section if the facility or group of
20 facilities has a total capacity of 5 MW or less and meets the provisions of
21 subdivisions (a)(6)(B)-(D) of this section. The facilities or group of facilities

1 may serve as a group net metering system that includes and is limited to each
2 participating municipality. In this subdivision (2), “municipality” shall have
3 the same meaning as under 24 V.S.A. § 4551.

4 * * *

5 (n) ~~As a pilot project, an~~ An electric cooperative under chapter 81 of this
6 title may ~~construct~~ engage in a pilot project involving a solar generation
7 facility or group of solar generation facilities to produce power to be consumed
8 by the company or its customers ~~and to be installed on land owned or leased by~~
9 ~~the company.~~

10 * * *

11 (3) ~~Under this pilot project, the electric cooperative may seek siting~~
12 ~~approval for the~~ A facility or group of facilities participating in this pilot
13 project may seek siting approval pursuant to the Board’s order issued under
14 subsection 8007(b) of this title, notwithstanding that subsection’s limitation to
15 plants with a plant capacity greater than 150 kW and 2.2 MW or less.

16 * * *

17 Sec. 19. 30 V.S.A. § 248(b) is amended to read:

18 (b) Before the Public Service Board issues a certificate of public good as
19 required under subsection (a) of this section, it shall find that the purchase,
20 investment or construction:

21 * * *

1 (9) with respect to a waste to energy facility;

2 (A) is included in a solid waste management plan adopted pursuant to
3 24 V.S.A. § 2202a, which is consistent with the State Solid Waste
4 Management Plan; and

5 (B) is included in a solid waste management plan adopted pursuant to
6 24 V.S.A. § 2202a for the municipality and solid waste district from which a
7 substantial portion of the waste is to originate, if that municipality or district
8 already beneficially uses a portion of the waste;

9 Sec. 20. 30 V.S.A. § 248(r) is added to read:

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

19 Sec. 21. 30 V.S.A. § 8001(b) is amended to read:

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

4 * * * Technical Amendments * * *

5 Sec. 22. 30 V.S.A. § 2(g) is amended to read:

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

18 Sec. 23. 30 V.S.A. § 219a(e)(3)(C) is amended to read:

19 (C) Any accumulated credits shall be used within 12 months, or shall
20 revert to the electric company, without any compensation to the customer.

1 ~~Power reverting to the electric company under this subdivision (3) shall be~~
2 ~~considered SPEED resources under section 8005 of this title.~~

3 Sec. 24. REPEAL

4 30 V.S.A. § 219b(a)(5) (net metering systems; SPEED resources) is
5 repealed.

6 Sec. 25. CONFORMING AMENDMENTS; RENEWABLE ENERGY

7 DEFINITIONS

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

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

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

15 § 8002. DEFINITIONS

16 As used in this chapter:

17 * * *

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

1 (A) For purposes of this subdivision (21), methane gas and other
2 flammable gases produced by the decay of sewage treatment plant wastes or
3 landfill wastes and anaerobic digestion of agricultural products, byproducts, or
4 wastes, or of food wastes shall be considered renewable energy resources, but
5 no other form of solid waste, other than ~~agricultural or silvicultural~~ waste, shall
6 be considered renewable.

7 * * *

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

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

14 * * *

15 (28) “RES” means the Renewable Energy Standard established under
16 sections 8004 and 8005 of this title.

17 Sec. 26. 30 V.S.A. § 8009 is amended to read:

18 § 8009. BASELOAD RENEWABLE POWER PORTFOLIO
19 REQUIREMENT

20 * * *

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

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

9 * * *

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

18 * * * Severability and Effective Dates * * *

19 Sec. 27. SEVERABILITY

20 The provisions of this act are severable. If any provision of this act is
21 invalid, or if any application of this act to any person or circumstance is

1 invalid, the invalidity shall not affect other provisions or applications which
2 can be given effect without the invalid provision or application.

3 Sec. 28. EFFECTIVE DATES

4 (a) This section and Secs. 8 (Public Service Board rulemaking),
5 10 (Forests, Parks and Recreation rulemaking), 14a (energy efficiency charge),
6 14b (joint energy committee; recommendation), 18 (net metering pilot project),
7 and 27 (severability) shall take effect on passage. Notwithstanding 1 V.S.A.
8 § 214, Sec. 18 shall apply to facilities for which an application for a certificate
9 of public good is pending as of its effective date.

10 (b) Secs. 1 through 7, 9, 11, 13, 14, 15 through 17, and 19 through 26 shall
11 take effect on July 1, 2015. Sec. 11 (net metering systems; environmental
12 attributes) shall not apply to complete applications filed prior to its effective
13 date.

14 (c) Sec. 12 (net metering systems; environmental attributes) shall amend
15 30 V.S.A. § 8010 as added effective January 1, 2017 by 2014 Acts and
16 Resolves No. 99, Sec. 4. Sec. 12 shall take effect on January 2, 2017, except
17 that, notwithstanding 1 V.S.A. § 214, the section shall apply to the Public
18 Service Board process under 2014 Acts and Resolves No. 99, Sec. 5.

19