

BURLINGTON



DEPARTMENT

585 Pine Street • Burlington, Vermont 05401-4891
802/658-0300 • 802/865-7386 (TTY/voice) • Fax: 802/865-7400

Senate Finance Committee
S. 230 ó Draft 2.4 (3/18/2016 10:58am)

Comments of
Ken Nolan, BED Chief Operating Officer
March 22, 2016

Thank you for the opportunity to comment on version 2.4 of S.230 being considered by the Committee. BED has the following comments and observations related to this draft:

Page 4, line 12 ó the changes proposed to 30 V.S.A §8004(g) to create subcategories within the RES, or provide different REC values for specific locations, would balkanize the RES implementation and make it exceedingly difficult for utilities to implement legislative intent. The RES takes effect in less than 12-months and utilities have already begun planning for meeting the existing requirements. To dramatically change the rules now would likely result in the RES goals not being met, and higher costs for ratepayers as utilities were forced to expedite projects or pay the Alternative Compliance Payment.

Page 7, line 3 ó BED supports the compliance verification to ensure projects are meeting their CPG obligations, but reality is that this provision cannot be implemented with existing regulatory staffing. If included, this provision should provide a mechanism for appropriate verification to be provided at the least possible cost, through self-certification or other means. This provision has the potential to raise the cost to ratepayers significantly.

Page 8, line 1 ó It is unclear whether the proposed decommissioning requirements would be applied to existing facilities or will be applied prospectively. This could have significant financial implications for existing facilities, especially utility scale generators that may have been built decades ago. This section should be clarified to apply to newly approved facilities, or non-utility generators where the plant owner is not subject to broader PSB oversight.

Page 11, line 14 ó BED agrees with and supports the flexibility the proposed language gives municipal utilities that are managing hydroelectric facilities. However, BED has seen recent proposals before the legislature and PSB attempt to divide municipalities into ömore than 6,000 customersö and öless than 6,000 customersö. BED believes that this delineation is arbitrary and that this provision should apply all municipal utilities.

Greenhouse Gas Life Cycle Analysis ó Not discussed in Draft 2.4, but of concern to BED is the Greenhouse Gas life cycle analysis provision (Sec. 23 of the Bill as received by the Committee). BED attempted to do an analysis of this nature when it constructed the BTV Airport solar project at Burlington International Airport in response to Agency of Natural Resources requests in BED's permit review. It was impossible to gather a complete inventory of greenhouse gases. For example, to calculate the greenhouse gases associated with transporting solar panel from Europe or China, or the greenhouse gas emissions associated with manufacture of the bolts used to assemble equipment. Some rational limitations on the depth of the required analysis would be helpful and appropriate.