

Green Mountain College

LIVING THE ENVIRONMENTAL LIBERAL ARTS

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Testimony before Senate Natural Resources & Energy Committee on H.40

Thank you for the opportunity to speak on H.40 “RESET.” For context, I am a full-time sustainability professional who has worked in the field for about seven years. I have spent the bulk of that time researching and implementing solutions to reduce the environmental footprint of colleges and universities. In my current role as director of sustainability at Green Mountain College, it is my job to ensure that the College meets three related goals: climate neutrality, 100% renewable energy, and a high ranking with national sustainability rating institutions. GMC is a national leader on climate neutrality, as we became the second institution of higher education in the country to achieve the feat in 2011. We have also ranked highly in national sustainability rating systems, making the top 10 for *Sierra Magazine’s* Cool Schools list for four out of the last five years and making *Princeton Review’s* Green Honor Roll for the third consecutive year. Just last week, we were named the #2 greenest college in the country by Princeton Review. Our next goal is to source 100% of our energy from renewable sources by 2020.

I fully support the sentiment behind H.40, as it is intended to ensure that Vermont’s efforts to build renewable energy projects have a net positive impact on the environment and are not double-counted across state lines. Without a strong Renewable Portfolio Standard, many renewable energy systems will continue to be built in Vermont under the false pretense that they are reducing customers’ environmental footprint, when in actuality, the environmental benefits (or RECs) are being transferred to other states where utility companies are using the RECs to meet their own renewable portfolio standards.

My two main concerns with the bill are as follows:

1)

I’m concerned with a provision of the legislation under distributed renewable generation that will penalize institutions of higher education, businesses, and private citizens who care about their environmental impact. These are the same customers who would presumably drive the innovation and capital investment required for the electricity providers to meet their quotas under H.40. The way the bill is currently written, customers who invest in solar for purely financial reasons can capture the full value of the renewable energy production on their bills, whereas customers who invest in solar in order to reduce their environmental footprint have to sacrifice renewable energy

production value in order to receive RECs, even though the RECs have to be retired whether they belong to the customer or to the electricity provider.

The language I'm referring to begins in Sec. 12-1 on page 43:

“The rules shall establish and maintain a net metering program that: [...] allows a customer to retain ownership of the environmental attributes of energy generated by the customer’s net metering system [...] and [...] 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 an appropriate amount.”

I would argue that no reduction in customer credit should occur if a customer chooses to retain RECs, especially not a reduction equal to the value of the REC as was proposed in S.41 several weeks ago. S.41’s language read “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 [...].” (Sec. 12-1 on page 39 of S.41)

In order for institutions of higher education to reduce their electricity emissions under the ACUPCC (American College and University Presidents Climate Commitment) and STARS (Sustainability Tracking and Rating System), they must retain and retire the RECs associated with their renewable energy systems. Bennington College, Castleton State College, Goddard College, Green Mountain College, Middlebury College, University of Vermont, and Vermont Law School have all signed the ACUPCC and are subject to its framework. Additionally, Green Mountain, Middlebury, and UVM have all signed onto STARS and are subject to its framework as well. The current draft of the bill will add a major financial obstacle to all of these schools in pursuit of their various goals under these frameworks. Other businesses in the State of Vermont that have to comply with voluntary renewable energy standards will also face similar financial hurdles. If these projects are not structured in a way that allows institutions to meet their goals, then institutions may turn to the more cost effective option of purchasing RECs from out of state, which could undercut the purpose of the law and not help Vermont’s electricity providers meet their quota. It is also possible that many of these institutions will decide not to pursue their goals altogether, resulting in a loss for the institutions and a loss for Vermont’s electricity providers.

In order to treat customers equally whether or not they are pursuing personal environmental goals, I propose a revision to page 43, section 12, that would read:

“Net metered customers who choose to retain environmental attributes or RECs and retire those RECs would be paid the same incentive as net metered customers who turn their RECs over to the electricity provider.”

In order to preserve the original intent of the bill, the approved methods for electricity providers to meet the portfolio standard outlined in section 3 and section 11 could be revised to include **“RECs retained and retired by customers within each electricity provider’s service territory.”** Thus, electricity providers could still take credit for RECs that customers choose to retain in order to comply with the law, while customers would have the flexibility to pursue their own environmental goals without being financially penalized for doing so.

2.)

I strongly endorse the criteria outlined on pages 26-27 of section 3 for qualifying electricity from biomass and hydropower, and I sincerely request that this language stays intact.

Specifically, I support the language that states that biomass may count toward the energy transformation requirement “only if the plant produces both electricity and thermal energy from the same biomass fuel and the majority of the energy recovered from the plant is thermal energy” (page 26).

I also support the language that states that hydropower may count only if the plant “is and continues to be certified by the Low-impact Hydropower Institute of Portland, Maine” (page 27) or “after January 1, 1987, received a water quality certification pursuant to 33 U.S.C. § 1341 from the Agency of Natural Resources.”

These criteria are necessary for ensuring that the renewable energy portfolio standard supports efficient and least harmful methods of renewable energy generation.

I appreciate your consideration of these items, and look forward to a version of the bill that supports the leading, environmentally conscious customers who will ensure the bill fulfills its mission of making Vermont a leader in renewable energy.