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Subject: REC Reporting Language in S.230
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Hi Aaron,

In a conversation earlier with Gregg you had asked if the Board had any areas of concerns with some of the newer elements of the Committee amendment to S.230. One item that does pose some concerns is the language added to Section 8006 which would require the REC tracking system for the RES to enable members of the public to identify the individual owners of RECs from Vermont facilities and any transfers of such RECs. The NEPOOL GIS explicitly does not allow the disclosure of account holder specific data to the public. Information and reports can be created at the aggregate level, but generally granular information of that nature is not available for release from the system.

As a result, under the proposed amendment to Section 8006, the Board would not be able to use the NEPOOL GIS as its system for monitoring compliance with the RES and would need to develop its own, separate system for tracking RECs within Vermont. ePSB does not have this capability either. Creating an independent system from scratch would likely result in significant costs to procure or develop the software capabilities to track Vermont-created RECs. Operating a separate system from the rest of New England may also create problems related to double-counting or accurately tracking RECs which leave Vermont.

In addition, it is not clear that, even if the Board were to develop an independent software system to track RES compliance that it would be able to capture all of the information which is sought under the amendment to Section 8006. While it may be possible to require Vermont generators to report their initial REC transactions to the Board or a system developed by it, if RECs are sold out of Vermont and then sold on to a third party it is not clear how the Board could continue to track those transactions. As a result, identifying the current owner of a Vermont-generated REC may not be possible.

In addition, the system established under Section 8006 contemplates a system intended to track "electric generation qualifying for the RES," while the new (b) requires that that system track "each tradeable renewable energy credit generated by each renewable energy plant located in the State of Vermont." Based on this, even if the Board concluded that establishing an independent system was the best course of action, the tracking required by (b) significantly exceeds what is contemplated under (a), which would appear to encompass every Vermont facility generating RECs, and would likely require additional time and resources to complete. Implementing such a system in advance of the beginning of utility compliance obligations under RES may also be difficult at this point, or cause additional costs.

We are happy to discuss if there are ways to achieve some of the goals of the new language that do not raise these concerns (for example, it may be possible to develop reports using GIS on the aggregate number of Vermont RECs that are sold out of state). However, as written there are some significant complications that the language will cause for the Board's implementation of the RES.

Thanks!
Kevin

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