Requested by Rep. Sibilia

TO THE HOUSE OF REPRESENTATIVES:

The Committee on Energy and Technology to which was referred House Bill No. 501 entitled "An act relating to electricity storage on the Vermont grid" respectfully reports that it has considered the same and recommends that the bill be amended by striking out all after the enacting clause and inserting in lieu thereof the following:

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

§ 8002. DEFINITIONS

As used in this chapter:

* * *

(30) "Energy storage" means a system that uses mechanical, chemical, or thermal processes to store renewable energy for later use. The term includes a system for storing thermal energy from a renewable energy source for direct heating or cooling at a later time in a manner that avoids or reduces the need to use, at that time, electricity for direct heating or cooling.

Sec. 2. 30 V.S.A. § 8005a is amended to read:

§ 8005a. STANDARD OFFER PROGRAM

(a) Establishment. A Standard Offer Program is established. To achieve the goals of section 8001 of this title, the Board shall issue standard offers for renewable energy plants that meet the eligibility requirements of this section.

The Board shall implement these standard offers by rule, order, or contract and shall appoint a Standard Offer Facilitator to assist in this implementation. For the purpose of this section, the Board and the Standard Offer Facilitator constitute instrumentalities of the State.

(b) Eligibility. To be eligible for a standard offer under this section, a plant must constitute a qualifying small power production facility under 16 U.S.C. § 796(17)(C) and 18 C.F.R. part 292, must not be a net metering system under section 219a of this title, and must be a new standard offer plant. In this section, "new standard offer plant" means a renewable energy plant that is located in Vermont, that has a plant capacity of 2.2 MW or less, and that is commissioned on or after September 30, 2009. A new standard offer plant may include energy storage. The Board shall develop a method for determining the amount of storage that may be included as part of such a plant and counting the storage toward the individual plant capacity and cumulative capacity limits of this section.

(c) Cumulative capacity. In accordance with this subsection, the Board shall issue standard offers to new standard offer plants until a cumulative plant capacity amount of 127.5 MW is reached.

* * *

(2) Technology allocations. The Board shall allocate the 127.5-MW cumulative plant capacity of this subsection among different categories of

renewable energy technologies. These categories shall include at least each of the following: methane derived from a landfill; solar power; wind power with a plant capacity of 100 kW or less; wind power with a plant capacity greater than 100 kW; hydroelectric power; and biomass power using a fuel other than methane derived from an agricultural operation or landfill. The Board shall establish a separate category for new standard offer plants that include energy storage.

* * *

Sec. 3. 30 V.S.A. § 8015 is amended to read:

§ 8015. VERMONT CLEAN ENERGY DEVELOPMENT FUND

* * *

(b) Definitions. ~~For purposes of~~ As used in this section, the following definitions shall apply:

(1) "Clean energy resources" means electric power supply and demand-side resources, or thermal energy or geothermal resources, that are "combined heat and power facilities," "cost-effective energy efficiency resources," or "renewable energy" resources. The term includes energy storage attached to a renewable energy resource.

* * *

(d) Expenditures authorized.

(1) Projects for funding may include the following:

(A) projects that will sell power in commercial quantities;

(B) among those projects that will sell power in commercial quantities, funding priority will be given to those projects that commit to sell power to Vermont utilities on favorable terms;

(C) projects to benefit publicly owned or leased buildings;

(D) renewable energy projects on farms, which may include any or all costs incurred to upgrade to a three-phase line to serve a system on a farm;

(E) small scale renewable energy in Vermont residences, institutions, and businesses:

(i) generally; and

(ii) through the Small-scale Renewable Energy Incentive Program;

(F) projects under the agricultural economic development special account established under 6 V.S.A. § 4710(g) to harvest biomass, convert biomass to energy, or produce biofuel;

(G) until December 31, 2008 only, super-efficient buildings;

(H) projects to develop and use thermal or geothermal energy, regardless of whether they also involve the generation of electricity;

(I) emerging energy-efficient technologies;

(J) effective projects that are not likely to be established in the absence of funding under the program;

(K) natural gas vehicles and associated fueling infrastructure if each such vehicle is dedicated only to natural gas fuel and, on a life cycle basis, the vehicle's emissions will be lower than commercially available vehicles using other fossil fuel, and any such infrastructure will deliver gas without interruption of flow;

(L) electric vehicles and associated charging stations;

(M) energy storage projects.

* * *

Sec. 4. RENEWABLE ENERGY STORAGE; DPS REPORT; BOARD INVESTIGATION

(a) Definitions. As used in this section:

(1) "Energy storage" means a system that uses mechanical, chemical, or thermal processes to store renewable energy for later use. The term includes a system for storing thermal energy generated from a renewable energy source for direct heating or cooling at a later time in a manner that avoids or reduces the need to use, at that time, electricity for direct heating or cooling.

(2) "Renewable energy" has the same meaning as in 30 V.S.A. § 8002.

(b) Report. On or before September 15, 2017, the Commissioner of Public Service shall submit a report on the issue of increasing energy storage on the Vermont electric transmission and distribution system.

(1) The Commissioner shall submit the report to the Public Service Board (Board), the House Committee on Energy and Technology, and the Senate Committees on Finance and on Natural Resources and Energy.

(2) During the preparation of the report, the Commissioner shall provide an opportunity for the public to submit relevant information and recommendations.

(3) The report shall:

(A) summarize existing state, regional, and national actions or initiatives to encourage deployment of electricity storage or thermal storage, or both;

(B) identify and evaluate each of the following with respect to energy storage on the State's electric transmission and distribution system:

(i) the barriers to increasing energy storage;

(ii) the potential economic and environmental benefits and costs to Vermont of increasing energy storage; and

(iii) potential methods to achieve a competitive market for such storage and the benefits and costs of each method; and

(C) evaluate the viability of requiring electric distribution utilities to offer tariffs for customer-owned energy storage, including the potential economic benefits and costs of such tariffs and their permissibility under the Federal Power Act.

(4) The report shall provide the Commissioner's findings and recommendations on each of the issues identified in subdivision (3) of this subsection. The report shall itemize which recommendations the Commissioner believes require legislative action and which recommendations may be implemented under current law, including by rule or order of the Public Service Board.

(c) Investigation; workshops. On receipt of the report under subsection (b) of this section, the Board shall open an investigation and convene one or more workshops on the issue of increasing energy storage on the Vermont electric transmission and distribution system, including the topics identified in subdivision (b)(3) of this section and such related questions as the Board may consider relevant.

(1) The Board shall provide public notice of the investigation and the workshops and offer an opportunity for the public to submit written comments and recommendations.

(2) On or before December 15, 2017, the Board shall issue its recommendations on the issues identified in subsection (b)(3) of this section and such related issues as the Board considers relevant.

(A) The Board shall identify which of the recommendations it believes require legislative action and which recommendations it believes may be implemented under current law.

(B) The recommendations shall attach a plan for the implementation of those recommendations that the Board concludes may be implemented under current law.

(C) The Board shall submit a copy of the recommendations to the Governor, the House Committee on Energy and Technology, and the Senate Committees on Finance and on Natural Resources and Energy.

Sec. 5. EFFECTIVE DATE

This act shall take effect on passage.

(Committee vote: _____)

_____

Representative _____

FOR THE COMMITTEE