

STATE OF VERMONT  
PUBLIC SERVICE BOARD

Docket No. 8876

Petition of the Swanton Village, Inc. Electric Department )  
for exemption from Standard Offer purchases pursuant to )  
30 V.S.A. § 8005a(k)(2)(B) )

Order entered: 1/13/2017

**ORDER GRANTING EXEMPTION**

**I. INTRODUCTION**

On December 9, 2016, the Swanton Village, Inc. Electric Department (“Swanton”) filed a petition for an exemption from purchases under the standard-offer program pursuant to 30 V.S.A. §8005a(k)(2)(B). In today’s Order, the Vermont Public Service Board (“Board”) grants Swanton an exemption from purchases during calendar year 2017.

**II. PROCEDURAL HISTORY**

The Swanton petition was filed on December 9, 2016.

On December 20, 2016, the Board issued a Procedural Order establishing a filing deadline of December 27, 2016, for any comments on Swanton’s petition.

On December 23, 2016, the Vermont Department of Public Service (“Department”) filed comments on Swanton’s petition.

No other comments were filed.

**III. POSITIONS OF THE PARTIES**

**Swanton**

Swanton represents that for the 12-month period ending October 31, 2016, its retail energy sales are estimated to be 53,974,497 kWh. For the same period, Swanton represents that the amount of renewable energy supplied to Swanton by its owned generation and under contract totaled 62,373,133 kWh, or 116% of its retail sales. As such, Swanton requests that the Board

exempt Swanton, pursuant to 30 V.S.A. §8005a(k)(2)(B), from its requirement to accept and pay for its *pro rata* share of standard-offer electricity for calendar year 2017.

### Department

The Department states that it has reviewed the data supporting Swanton's petition and agrees that Swanton appears to be entitled to the exemption. Accordingly, the Department recommends that the Board grant the exemption.

### **IV. DISCUSSION AND CONCLUSION**

Pursuant to 30 V.S.A. §8005a(k)(2)(B):

A retail electricity provider shall be exempt and wholly relieved from the requirements of this subdivision if, during the immediately preceding 12-month period ending October 31, the amount of renewable energy supplied to the provider by generation owned by or under contract to the provider, regardless of whether the provider owned the energy's environmental attributes, was not less than the amount of energy sold by the provider to its retail customers.

Based on the information provided by Swanton and the Department's comments, we find that Swanton qualifies for the exemption.<sup>1</sup> We are concerned about the potential effects of recognizing this exemption, as well as any potential future exemptions for other Vermont electric distribution utilities that may similarly qualify under the statute. Each utility that qualifies for an exemption in a given year decreases the number of utilities, and therefore the number of ratepayers, among which to distribute a *pro rata* share of the costs of the standard-offer program. The result will place upward pressure on rates on a service-territory-specific basis with fewer ratepayers subsidizing the costs of this program. However, the statute grants a qualified utility this exemption. As a result, we find that Swanton shall be exempt and wholly relieved from the requirement under 30 V.S.A. §8005a(k)(2) to accept and pay for its *pro rata* share of electricity purchased by the Standard Offer Facilitator during calendar year 2017.

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1. Swanton includes energy allocated to it by the Standard Offer Facilitator. It is unclear whether such energy is "supplied to the provider by generation owned by or under contract to the provider," as required in Section 8005a(k)(2)(B). However, as Swanton's filing demonstrates that it meets the statutory standard even if this energy is not counted, we conclude that Swanton has shown that it qualifies for the exemption.

**SO ORDERED.**

Dated at Montpelier, Vermont, this 13th day of January, 2017.

s/James Volz )

) PUBLIC SERVICE

s/Margaret Cheney )

) BOARD

s/Sarah Hofmann )

) OF VERMONT

OFFICE OF THE CLERK

FILED: January 13, 2017

ATTEST: s/Judith C. Whitney  
Clerk of the Board

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