

S.190

Introduced by Senators Kitchel, Benning and Starr

Referred to Committee on Finance

Date: January 7, 2020

Subject: Public service; renewable energy programs; Standard Offer Program

Statement of purpose of bill as introduced: This bill proposes to extend the

Standard Offer Program until 2032.

An act relating to the Standard Offer Program

It is hereby enacted by the General Assembly of the State of Vermont:

~~Sec. 1. 30 V.S.A. § 8009 is amended to read:~~

~~§ 8009. BASELOAD RENEWABLE POWER PORTFOLIO~~

~~REQUIREMENT~~

~~(a) In As used in this section:~~

~~(1) "Baseload renewable power" means a plant that generates electricity from renewable energy; that, during normal operation, is capable of taking all or part of the minimum load on an electric transmission or distribution system; and that produces electricity essentially continuously at a constant rate.~~

~~(2) "Baseload renewable power portfolio requirement" means an annual average of 175,000 MWh of baseload renewable power from an in-state~~

1 ~~by biomass plant that was commissioned prior to September 30, 2009, has a~~

2 nominal capacity of 20.5 MW, and was in service as of January 1, 2011.

3 (3) "Biomass" means organic nonfossil material of biological origin  
4 constituting a source of renewable energy within the meaning of subdivision  
5 8002(17)(21) of this title.

6 (4) [Repealed.]

7 (b) Notwithstanding subsection 8004(a) and subdivision 8005(d)(c)(1) of  
8 this title, commencing November 1, 2012, the electricity supplied by each  
9 Vermont retail electricity provider to its customers shall include the provider's  
10 pro rata share of the baseload renewable power portfolio requirement, which  
11 shall be based on the total Vermont retail kWh sales of all such providers for  
12 the previous calendar year. The obligation created by this subsection shall  
13 cease on November 1, ~~2022~~ 2032.

14 (c) A plant used to satisfy the baseload renewable power portfolio  
15 requirement shall be a qualifying small power production facility under  
16 16 U.S.C. § 796(17)(C) and 18 C.F.R. part 292.

17 (d) ~~The~~ On or before January 1, 2022, the Commission shall determine, for  
18 the period beginning November 1, 2022, and ending November 1, 2032, the  
19 price to be paid to a plant used to satisfy the baseload renewable power  
20 portfolio requirement. The Commission shall not be required to make this  
21 ~~determination as a contested case under 3 V.S.A. chapter 25. The price shall~~

1 ~~be the avoided cost of the Vermont composite electric utility system. In this~~  
2 subsection, the term “avoided cost” means the incremental cost to retail  
3 electricity providers of electric energy or capacity, or both, which, but for the  
4 purchase from the plant proposed to satisfy the baseload renewable power  
5 portfolio requirement, such providers would obtain from a source using the  
6 same generation technology as the proposed plant. In this subsection, the term  
7 “avoided cost” also includes the Commission’s consideration of each of the  
8 following:

9 \* \* \*

10 Sec. 2. TRANSITION PROVISION

11 All decisions and orders of the former Public Service Board and the Public  
12 Utility Commission in the matter *Investigation into the Establishment of a*  
13 *Standard-Offer Price for Baseload Renewable Power under the Sustainably*  
14 *Priced Energy Enterprise Development (“SPEED”) Program, Docket*  
15 *No. 7782, shall remain in full force and effect through October 31, 2022.*

16 Sec. 3. EFFECTIVE DATE

17 ~~This act shall take effect on passage.~~

*Sec. 1. 30 V.S.A. § 8009 is amended to read:*

*§ 8009. BASELOAD RENEWABLE POWER PORTFOLIO  
REQUIREMENT*

*(a) ~~As used in this section:~~*

*(1) “Baseload renewable power” means a plant that generates electricity from renewable energy; that, during normal operation, is capable of taking all or part of the minimum load on an electric transmission or*

*distribution system; and that produces electricity essentially continuously at a constant rate.*

*(2) “Baseload renewable power portfolio requirement” means an annual average of 175,000 MWh of baseload renewable power from an in-state woody biomass plant that was commissioned prior to September 30, 2009, has a nominal capacity of 20.5 MW, and was in service as of January 1, 2011.*

*(3) “Biomass” means organic nonfossil material of biological origin constituting a source of renewable energy within the meaning of subdivision 8002(17)(21) of this title.*

*(4) [Repealed.]*

*(b) Notwithstanding subsection 8004(a) and subdivision 8005(d)(c)(1) of this title, commencing November 1, 2012, the electricity supplied by each Vermont retail electricity provider to its customers shall include the provider’s pro rata share of the baseload renewable power portfolio requirement, which shall be based on the total Vermont retail kWh sales of all such providers for the previous calendar year. The obligation created by this subsection shall cease on November 1, ~~2022~~ 2032.*

*(c) A plant used to satisfy the baseload renewable power portfolio requirement shall be a qualifying small power production facility under 16 U.S.C. § 796(17)(C) and 18 C.F.R. part 292.*

*(d) The On or before January 1, 2022, the Commission shall determine, for the period beginning on November 1, 2022, and ending on November 1, 2032, the price to be paid to a plant used to satisfy the baseload renewable power portfolio requirement. The Commission shall not be required to make this determination as a contested case under 3 V.S.A. chapter 25. The price shall be the avoided cost of the Vermont composite electric utility system. In this subsection, the term “avoided cost” means the incremental cost to retail electricity providers of electric energy or capacity, or both, which, but for the purchase from the plant proposed to satisfy the baseload renewable power portfolio requirement, such providers would obtain from a source using the same generation technology as the proposed plant. In this subsection, the term “avoided cost” also includes the Commission’s consideration of each of the following:*

*(1) The relevant cost data of the Vermont composite electric utility system.*

*(2) The terms of the potential contract, including the duration of the obligation.*

*(3) The availability, during the system's daily and seasonal peak periods, of capacity or energy from a proposed plant.*

*(4) The relationship of the availability of energy or capacity from the proposed plant to the ability of the Vermont composite electric utility system or a portion thereof to avoid costs.*

*(5) The costs or savings resulting from variations in line losses from those that would have existed in the absence of purchases from the proposed plant.*

*(6) The supply and cost characteristics of the proposed plant, including the costs of operation and maintenance of an existing plant during the term of a proposed contract.*

*(7) Mechanisms for encouraging dispatch of the proposed plant relative to the ISO New England wholesale energy price and value of regional renewable energy credits, while also respecting the physical operating parameters and fixed costs of the proposed plant.*

*(8) The fuel supply for the proposed plant is obtained from ecologically sound and sustainable sources. In the case of biomass, this shall include an assessment of whether fuel supplies use ecologically sound harvesting practices and whether they promote a diverse and sustainable forest economy in the region.*

*(9) The appropriate assignment of risks associated with the ISO New England Forward Capacity Market Pay-for-Performance Project.*

*(10) Any potential opportunities associated with having the proposed plant withdraw from the ISO New England Forward Capacity Market, while respecting the economic parameters of the proposed plant.*

\* \* \*

*(i) The State and its instrumentalities shall not be liable to a plant owner or retail electricity provider with respect to any matter related to the baseload renewable power portfolio requirement or a plant used to satisfy such requirement, including costs associated with a contract related to such a plant or any damages arising from the breach of such a contract, the flow of power between a plant and the electric grid, or the interconnection of a plant to that grid. For the purpose of this section, the Commission and the Standard Offer Facilitator constitute instrumentalities of the State.*

*(j) The Commission shall authorize any agency participating in a proceeding under this section or in an order issued under this section to assess its costs against a proposed plant consistent with section 21 of this title.*

(k) The Agency of Commerce and Community Development shall investigate the feasibility of utilizing the excess thermal energy generated by a plant used to satisfy the baseload renewable power portfolio requirement imposed under this section. Such investigation shall be done in consultation with the plant's owner, the Northeast Vermont Development Association, and other interested parties and shall consider the economic feasibility of utilizing the excess thermal energy generated by a plant and the economic development options available to the State to assist in the utilization of the excess thermal energy. On or before January 15, 2022 the Agency shall report on its investigation and any recommended legislation to the House Committees on Energy and Technology and on Commerce and Economic Development and the Senate Committees on Finance and on Economic Development, Housing and General Affairs.

(l) In considering the assessment of whether fuel supplies use ecologically sound harvesting practices and whether they promote a diverse and sustainable forest economy in the region, the Agency of Natural Resources shall provide input to the Commission regarding any recommended changes to the biomass harvesting practices associated with fuel supply, and the Commission shall incorporate such recommendations in the Order.

## Sec. 2. TRANSITION PROVISION

All decisions and orders of the former Public Service Board and the Public Utility Commission in the matter Investigation into the Establishment of a Standard-Offer Price for Baseload Renewable Power under the Sustainably Priced Energy Enterprise Development ("SPEED") Program, Docket No. 7782, shall remain in full force and effect through October 31, 2022.

## Sec. 3. EFFECTIVE DATE

This act shall take effect on passage.