

1 H.337

2 Introduced by Representatives Chesnut-Tangerman of Middletown Springs

3 and Yantachka of Charlotte

4 Referred to Committee on

5 Date:

6 Subject: Public service; renewable energy programs; categories; tier 3

7 transformation

8 Statement of purpose of bill as introduced: This bill proposes to amend the  
9 criteria for energy transformation projects under category 3 of the Renewable  
10 Energy Standard.

11 An act relating to energy transformation projects under the Renewable  
12 Energy Standard

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

14 Sec. 1. 30 V.S.A. § 8005 is amended to read:

15 (a) Categories. This section specifies three categories of required resources  
16 to meet the requirements of the RES established in section 8004 of this title:  
17 total renewable energy, distributed renewable generation, and energy  
18 transformation.

19 \* \* \*

1           (3) Energy transformation.

2           (A) Purpose; establishment. This subdivision establishes an energy  
3 transformation category for the RES. This category encourages Vermont retail  
4 electricity providers to support additional distributed renewable generation or  
5 to support other projects to reduce fossil fuel consumed by their customers and  
6 the emission of greenhouse gases attributable to that consumption. A retail  
7 electricity provider may satisfy the energy transformation requirement through  
8 distributed renewable generation in addition to the generation used to satisfy  
9 subdivision (2) of this subsection (a) or energy transformation projects or a  
10 combination of such generation and projects.

11           (B) Required amounts. For the energy transformation category, the  
12 required amounts shall be two percent of each retail electricity provider's  
13 annual retail electric sales during the year beginning January 1, 2017,  
14 increasing by an additional two-thirds of a percent each subsequent January 1  
15 until reaching 12 percent on and after January 1, 2032. However, in the case  
16 of a provider that is a municipal electric utility serving not more than 6,000  
17 customers, the required amount shall be two percent of the provider's annual  
18 retail sales beginning on January 1, 2019, increasing by an additional two-  
19 thirds of a percent each subsequent January 1 until reaching 10 and two-thirds  
20 percent on and after January 1, 2032. Prior to January 1, 2019, such a

1 municipal electric utility voluntarily may engage in one or more energy  
2 transformation projects in accordance with this subdivision (3).

3 (C) Eligibility criteria. For an energy transformation project to be  
4 eligible under this subdivision (a)(3), each of the following shall apply:

5 (i) Implementation of the project shall have commenced on or  
6 after January 1, 2015.

7 (ii) Over its life, the project shall result in a net reduction in fossil  
8 fuel consumed by the provider's customers and in the emission of greenhouse  
9 gases attributable to that consumption, whether or not the fuel is supplied by  
10 the provider.

11 (iii) The project shall meet the need for its goods or services at the  
12 lowest present value life cycle cost, including environmental and economic  
13 costs. Evaluation of whether this subdivision (iii) is met shall include analysis  
14 of alternatives that do not increase electricity consumption.

15 (iv) The project shall cost the utility less per MWH than the  
16 applicable alternative compliance payment rate.

17 (v) The project shall not use or consume fossil fuel or energy that  
18 is not renewable energy to directly generate electricity.

19 (D) Conversion. For the purpose of determining eligibility and the  
20 application of the energy transformation project to a provider's annual  
21 requirement, the provider shall convert the net reduction in fossil fuel

1 consumption resulting from the energy transformation project to a MWH  
2 equivalent of electric energy, in accordance with rules adopted by the  
3 Commission. The conversion shall use the most recent year's approximate  
4 heat rate for electricity net generation from the total fossil fuels category as  
5 reported by the U.S. Energy Information Administration in its Monthly Energy  
6 Review. If an energy transformation project is funded by more than one  
7 regulated entity, the Commission shall prorate the reduction in fossil fuel  
8 consumption among the regulated entities. In this subdivision (D), "regulated  
9 entity" includes each provider and each efficiency entity appointed under  
10 subsection 209(d) of this title. No form or amount of nuclear fuel or electricity  
11 generated from nuclear fuel shall be included in determining eligibility or  
12 reduction in fossil fuel consumption pursuant to subdivision (C) of this  
13 subdivision (3) or in calculating the required amounts pursuant to  
14 subdivision (B) of this subdivision (3).

15 \* \* \*

16 Sec. 2. EFFECTIVE DATE

17 This act shall take effect on July 1, 2019.