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- The Committee on Energy and Technology to which was referred Senate
- Bill No. 95 entitled "An act relating to municipal utility capital investment"
- 4 respectfully reports that it has considered the same and recommends that the
- 5 House propose to the Senate that the bill be amended by striking out all after
- 6 the enacting clause and inserting in lieu thereof the following:
- 7 Sec. 1. 24 V.S.A. § 1822 is amended to read:
- 8 § 1822. POWERS; APPROVAL OF VOTERS

following powers:

- 9 (a) In addition to the powers it may now or hereafter have, a municipal
 10 corporation otherwise authorized to own, acquire, improve, control, operate, or
 11 manage a public utility or project and to issue bonds pursuant to this
 12 subchapter, may also, by action of its legislative branch, exercise any of the
 - (1) to borrow money and issue bonds for the purposes of acquiring, improving, maintaining, financing, controlling, or operating the public utility or project, or for the purpose of selling, furnishing, or distributing the services, facilities, products, or commodities of such utility or project;
 - (2) to enter into contracts in connection with the issuance of bonds for any of the purposes enumerated in subdivision (1) of this subsection;
 - (3) to purchase, hold, and dispose of any of its bonds;

- (4) to pledge or assign all or part of any net revenues of the public utility or project, to provide for or to secure the payment of the principal of and the interest on bonds issued in connection with such public utility or project;
- (5) to do any and all things necessary or prudent to carry out the powers expressly granted or necessarily implied in this subchapter, including without limitation those powers enumerated in section 1824 of this title.
- (b)(1) The bonds authorized under this section shall be in such form, shall contain such provisions, and shall be executed as may be determined by the legislative branch of the municipal corporation, but shall not be executed, issued, or made, and shall not be valid and binding, unless and until at least a majority of the legal voters of such municipal corporation present and voting at a duly warned annual or special meeting called for that purpose shall have first voted to authorize the same.
- (2) The warning calling such a meeting shall state the purpose for which it is proposed to issue bonds, the estimated cost of the project, the amount of bonds proposed to be issued under this subchapter therefor, that such bonds are to be payable solely from net revenues, and shall fix the place where and the date on which such meetings shall be held and the hours of opening and closing the polls.
- (3) The notice of the meeting shall be published and posted as provided in section 1756 of this title.

1	(4) When a majority of all the voters voting on the question at such
2	meeting vote to authorize the issuance of bonds under this subchapter to pay
3	for such project, the legislative body shall be authorized to issue bonds or enter
4	into contracts, pledges, and assignments as provided in this subchapter.
5	(5) Sections 1757 and 1758 of this title shall apply to the proceedings
6	taken hereunder, except that the form of ballot to be used shall be substantially
7	as follows:
8	Shall bonds of the (name of municipality) to the amount of \$
9	be issued under subchapter 2 of chapter 53 of Title 24, Vermont Statutes
10	Annotated, payable only from net revenues derived from the (type) public
11	utility system, for the purpose of paying for the following public utility
12	project?
13	If in favor of the bond issue, make a cross (x) in this square \square .
14	If opposed to the bond issue, make a cross (x) in this square \square .
15	(c) The bonds authorized by this subchapter shall be sold at par, premium,
16	or discount by negotiated sale, competitive bid, or to the Vermont Municipal
17	Bond Bank.
18	(d) Notwithstanding the provisions of subsection (b) of this section, the
19	legislative branch of a municipal corporation owning a municipal plant as
20	defined in 30 V.S.A. § 2901 may authorize by resolution the issuance of bonds
21	in an amount not to exceed 50 percent of the total assets of said municipal

1	plant without the need for voter approval. Nothing in this subsection shall be
2	interpreted as eliminating the requirement for approval from the Public Utility
3	Commission pursuant to 30 V.S.A. § 108, where applicable.
4	Sec. 2. 30 V.S.A. § 108 is amended to read:
5	§ 108. ISSUE OF BONDS OR OTHER SECURITIES
6	* * *
7	(b) The provisions of this section shall not apply to the Vermont Public
8	Power Supply Authority or to a public utility which that meets each and all of
9	the following four conditions:
10	(1) is incorporated in some state other than Vermont;
11	(2) is conducting an interstate and intrastate telephone business which
12	that is subject to regulation by the Federal Communications Commission in
13	some respects;
14	(3) is conducting telephone operations in four or more states; and
15	(4) has less than 10 percent of its total investment in property used or
16	useful in rendering service located within this State to the extent that such
17	public utility may issue stock, bonds, notes, debentures, or other evidences of
18	indebtedness not directly or indirectly constituting or creating a lien on any
19	property used or useful in rendering service which that is located within this
20	State.

- (c)(1) A municipality shall not issue bonds or notes or pledge its net revenues under 24 V.S.A. chapter 53, respecting the ownership or operation of a gas or electric utility, unless the Public Utility Commission first finds, upon petition of the municipality and after notice and an opportunity for hearing, that the proposed action will be consistent with the general good of the State.
- (2) If the Public Utility Commission does not issue its ruling within 90 days of the filing of the petition, as may be extended by consent of the municipality, the issuance of the proposed bonds or notes or pledge of net revenues shall be deemed to be consistent with the general good of the State.
- (3) If the Public Utility Commission issues a ruling in accordance with subdivision (1) of this subsection, or does not rule within the period specified in subdivision (2) of this subsection, a municipality must subsequently obtain also have obtained voter approval in accordance with 24 V.S.A. chapter 53, if required, prior to issuing bonds or notes or pledging its net revenues.
- (d) Notwithstanding the provisions of subsection (c) of this section, a municipality may:
- (1) issue bonds or notes or pledge its net revenues payable within three years from the date of issue without such consent, provided such borrowing is necessary in an emergency to restore service immediately after damage by disaster; or

1	(2) issue bonds or notes or pledge its net revenues payable within one
2	year of the date of issuance without the consent otherwise required by this
3	subdivision, provided its total bonds, notes, or evidences of indebtedness so
4	payable within one year do not exceed 20 percent of its total assets; or
5	(3) issue bonds or notes without the consent otherwise required by this
6	subdivision, provided:
7	(A) the amount of the issuance plus the amount of any bond or note
8	issuances during the previous 12 calendar months does not exceed 20 percent
9	of the municipality's total assets; and
10	(B) after the proposed issuance, the total amount of the
11	municipality's outstanding bonds, notes, or evidences of indebtedness would
12	not exceed 50 percent of its total assets.
13	Sec. 3. 30 V.S.A. § 5031(a)(4) is amended to read:
14	(4) Bonds and notes may be issued in accordance with this chapter,
15	subject to without the need to obtain the consent and approval of the Public
16	Utility Commission as provided in this title.
17	Sec. 4. 30 V.S.A. § 8002 is amended to read:
18	§ 8002. DEFINITIONS
19	As used in this chapter:
20	* * *

1	(10) "Group net metering system" means a net metering system serving
2	more than one customer, or a single customer with multiple electric meters,
3	located within the service area of the same retail electricity provider and may
4	be composed of:
5	(A) Various various buildings owned by municipalities, including
6	water and wastewater districts, fire districts, villages, school districts, and
7	towns, may constitute a group net metering system. A union or district school
8	facility shall be considered in the same group net metering system with
9	buildings of its member municipalities that are located within the service area
10	of the same retail electricity provider that serves the facility. ; or
11	(B) various buildings owned by a public school, as defined in
12	16 V.S.A. § 11(7); an independent school, as defined in 16 V.S.A. § 11(8); a
13	supervisory union, as defined in 16 V.S.A. § 11(23); a school district, as
14	defined in 16 V.S.A. § 11(10); a regional career technical center school
15	district, as defined in 16 V.S.A. §1571; or a joint contract school, as described
16	in 16 V.S.A. § 571.
17	* * *
18	Sec. 5. 30 V.S.A. § 8010 is amended to read:
19	§ 8010. SELF-GENERATION AND NET METERING
20	* * *

1	(c) In accordance with this section, the Commission shall adopt and
2	implement rules that govern the installation and operation of net metering
3	systems.
4	* * *
5	(2) The rules shall include provisions that govern:
6	(A) whether Whether there is a limit on the cumulative plant capacity
7	of net metering systems to be installed over time and what that limit is, if any;
8	except that the cumulative capacity of any group net metering system pursuant
9	to subdivision 8002(10)(B) of this title shall not be limited provided that each
10	account is enrolled in only one group.
11	(B) the <u>The</u> transfer of certificates of public good issued for net
12	metering systems and the abandonment of net metering systems;.
13	(C) the <u>The</u> respective duties of retail electricity providers and net
14	metering customers;.
15	(D) the The electrical safety, power quality, interconnection, and
16	metering of net metering systems;.
17	(E) the <u>The</u> formation of group net metering systems, the resolution
18	of disputes between group net metering customers and the interconnecting
19	provider, and the billing, crediting, and disconnection of group net metering

customers by the interconnecting provider; and.

1	(F) the The amount of the credit to be assigned to each kWh of
2	electricity generated by a net metering customer in excess of the electricity
3	supplied by the interconnecting provider to the customer, the manner in which
4	the customer's credit will be applied on the customer's bill, and the period
5	during which a net metering customer must use the credit, after which the
6	credit shall revert to the interconnecting provider.
7	* * *
8	(f) Except for net metering systems for which the Commission has
9	established a registration process, the Commission shall issue a final
10	determination as to an application within 90 days of the date of the last
11	substantive filing by a party.
12	Sec. 6. PUBLIC UTILITY COMMISSION; RULES
13	The Public Utility Commission shall update the Commission's rules to be
14	consistent with this act. The Commission's rules shall:
15	(1) remove any limit on the cumulative capacity of a group net
16	metering system that is composed of buildings owned by a public school, as
17	defined in 16 V.S.A. § 11(7); an independent school, as defined in 16 V.S.A.
18	§ 11(8); a supervisory union, as defined in 16 V.S.A. § 11(23); a school
19	district, as defined in 16 V.S.A. § 11(10); a regional career technical center
20	school district, as defined in 16 V.S.A. §1571; or a joint contract school, as

1	described in 16 V.S.A. § 571, provided that each account is enrolled in only
2	one group; and
3	(2) require that the Commission shall issue a final determination as to
4	an application within 90 days after the date of the last substantive filing by a
5	party, except for net metering systems for which the Commission has
6	established a registration process.
7	Sec. 7. EFFECTIVE DATE
8	This act shall take effect on July 1, 2019.
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13	(Committee vote:)
14	
15	Representative
16	FOR THE COMMITTEE