

Public Utility Commission Proposed Edits to Portion of Fee Bill

Public Service Department

Added to 30 VSA is § 248c. Fees; Department of Public Service and Public Utility Commission; participation in certification and siting proceedings

(a) Establishment. This section establishes fees for the purpose of supporting the role of the Department of Public Service (the Department) and the Public Utility Commission (the Commission) in reviewing applications for in-state facilities under section 248 of this title. ~~Companies that pay the gross receipts tax as provided in section 22 of this title shall not be subject to the fees established in this section.~~

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(b) Payment. The applicant shall pay the fee into the State Treasury at the time the application for a certificate of public good is filed with the Public Utility Commission in an amount calculated in accordance with this section. The fee shall be deposited into the gross revenue fund and allocated to the Department and Commission as provided in section 22(c) of this title.

(c) Definitions. In this section:

(1) "kW," "MW," and "plant capacity" shall have the same meaning as in section 8002 of this title.

(d) Electric and natural gas facilities. This subsection sets fees for applications under section 248 of this title.

(1) There shall be a registration fee of \$100 for each electric generation facility less than or equal to 50 kW in plant capacity, ~~or for a rooftop project, or for a hydroelectric project filing a net-metering registration,~~ or for an application filed under subsection 248(n) of this title.

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(2) There shall be a fee of \$25 for modifications for each electric generation facility less than or equal to 50 kW in plant capacity, ~~or for a rooftop project, or for a hydroelectric project filing a net-metering registration,~~ or for an application filed under subsection 248(n) of this title.

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(3) There shall be a fee for electric generation facilities ~~that do not qualify for the lower fees in subsections (d)(1) and (2) of this section,~~ calculated as follows:

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(A) ~~\$5.00~~ per kW.

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(B) \$100 for modifications.

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(e) ~~On or before the third Tuesday of each annual legislative session, the Department and Commission shall jointly submit a report to the General Assembly by electronic submission. The provisions of 2 V.S.A. § 20(d) (expiration of required reports) shall not apply to this report. The report shall: list the fees collected and refunds approved, if any, under this section during the preceding fiscal year.~~

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Added to 30 VSA is § 248d. Fee Refund

(a) ~~If an applicant withdraws an application and seeks a fee refund, then a~~ written request for an application fee refund shall be submitted to the Commission within 90 days of the withdrawal of the application.

Deleted: ; discuss the Department's performance in exercising its duties under this title during that year; identify areas that hinder the Department's effective performance of these duties and summarize changes made to improve such performance; and, with respect to the Department's exercise of these duties, discuss the Department's staffing needs during the coming fiscal year and the future goals and objectives of the Department

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~~(1) In the event that an application is withdrawn before any Agency has filed comments expressing a position on any part of the application, filed testimony, or filed a stipulated agreement with the Commission in the context of a certificate of public good proceeding, the Commission shall, upon request of the applicant, refund 50 percent of the fee paid to each Agency above the first \$100.00, up to the first \$15,000.00 of the fee paid, and all of that portion of the fee paid in excess of \$15,000.00.~~

~~(2) In the event that an application is withdrawn after any Agency has filed comments expressing a position on any part of the application, filed testimony, or filed a stipulated agreement with the Commission in the context of a certificate of public good proceeding, the Commission shall, upon request of the applicant, refund 25 percent of the fee paid to each Agency above the first \$100.00.~~

~~(3) Commission decisions regarding application fee refunds may be appealed to the Vermont Supreme Court.~~

~~(4) For the purposes of this section, an "Agency" means the Agency of Natural Resources, the Department, or the Commission.~~

~~(5) In no event may an application fee or a portion thereof be refunded after the Commission has issued a final decision on the merits of an application, whether the decision is to grant or deny the application in whole or in part.~~

~~(6) No interest will be due or payable on any money refunded under this section.~~

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~~Deleted: (3) The PUC shall, upon request of the applicant, increase the amount of the refund if the application of subdivisions (1) and (2) of this subsection clearly would result in a fee that unreasonably exceeds the direct and indirect costs incurred by the State of Vermont.~~

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Options for Funding the Public Utility Commission and the Department of Public Service

Option 1

Gross receipts tax: phased increase in gas and electric gross receipts tax rates as shown below

Application fee: \$100 for projects eligible to use net-metering registration and application forms, \$5/kW for all others; \$25 fee for amendments for projects eligible to use net-metering registration and application forms, \$100 for all others

| | FY20 | FY21 | FY22 | FY23 |
|--------------------------------------|-------------|--------------|--------------|--------------|
| Electric/gas gross receipts tax rate | 0.00525 | 0.0055 | 0.00575 | 0.006 |
| Gross receipts tax revenues | \$9,325,118 | \$9,573,236 | \$9,895,272 | \$10,246,166 |
| Application fees | \$580,435 | \$580,435 | \$580,435 | \$580,435 |
| Total revenues | \$9,905,553 | \$10,153,671 | \$10,475,707 | \$10,826,601 |
| Department allocation - 60% | \$5,943,332 | \$6,092,202 | \$6,285,424 | \$6,495,961 |
| Commission allocation - 40% | \$3,962,221 | \$4,061,468 | \$4,190,283 | \$4,330,640 |
| Commission funds needed* | \$3,848,848 | \$4,002,802 | \$4,162,914 | \$4,329,430 |

Option 2

Gross receipts tax: phased increase in gas and electric gross receipts tax rates as shown below

Application fee: \$150 for projects eligible to use net-metering registration and application forms, \$7/kW for all others; \$25 fee for amendments for projects eligible to use net-metering registration or application form, \$100 for all others

| | FY20 | FY21 | FY22 | FY23 |
|--------------------------------------|-------------|--------------|--------------|--------------|
| Electric/gas gross receipts tax rate | 0.005 | 0.00525 | 0.0055 | 0.00575 |
| Gross receipts tax revenues | \$9,009,342 | \$9,261,325 | \$9,583,181 | \$9,932,875 |
| Application fees | \$843,389 | \$843,389 | \$843,389 | \$843,389 |
| Total revenues | \$9,852,731 | \$10,104,714 | \$10,426,570 | \$10,776,264 |
| Department allocation - 60% | \$5,911,638 | \$6,062,829 | \$6,255,942 | \$6,465,758 |
| Commission allocation - 40% | \$3,941,092 | \$4,041,886 | \$4,170,628 | \$4,310,505 |
| Commission funds needed* | \$3,848,848 | \$4,002,802 | \$4,162,914 | \$4,329,430 |

Option 3

Gross receipts tax: phased increase in gas and electric gross receipts tax rates as shown below

Application fee: \$200 for projects eligible to use net-metering registration and application forms, \$10/kW for all others; \$25 fee for amendments for projects eligible to use net-metering registration or application form, \$100 for all others

| | FY20 | FY21 | FY22 | FY23 |
|--------------------------------------|--------------|--------------|--------------|--------------|
| Electric/gas gross receipts tax rate | 0.005 | 0.005 | 0.00525 | 0.0055 |
| Gross receipts tax revenues | \$9,009,342 | \$8,949,415 | \$9,271,091 | \$9,619,583 |
| Application fees | \$1,157,895 | \$1,157,895 | \$1,157,895 | \$1,157,895 |
| Total revenues | \$10,167,237 | \$10,107,310 | \$10,428,986 | \$10,777,478 |
| Department allocation - 60% | \$6,100,342 | \$6,064,386 | \$6,257,391 | \$6,466,487 |
| Commission allocation - 40% | \$4,066,895 | \$4,042,924 | \$4,171,594 | \$4,310,991 |
| Commission funds needed* | \$3,848,848 | \$4,002,802 | \$4,162,914 | \$4,329,430 |

*Projections of funds needed by the Commission assume a flat 4% increase each year to cover salary and benefit increases and increases from services that we pay to other agencies. Each option provides sufficient funds to meet the Department's FY20 budget request; we do not have projections of funds needed by the Department for subsequent years.