

1 TO THE HONORABLE SENATE:

2 The Committee on Finance to which was referred Senate Bill No. 190
3 entitled “An act relating to the Standard Offer Program” respectfully reports
4 that it has considered the same and recommends that the bill be amended by
5 striking out all after the enacting clause and inserting in lieu thereof the
6 following:

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

8 § 8009. BASELOAD RENEWABLE POWER PORTFOLIO

9 REQUIREMENT

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

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

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

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

1 (4) [Repealed.]

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

9 (c) A plant used to satisfy the baseload renewable power portfolio
10 requirement shall be a qualifying small power production facility under
11 16 U.S.C. § 796(17)(C) and 18 C.F.R. part 292.

12 (d) ~~The~~ On or before January 1, 2022, the Commission shall determine, for
13 the period beginning on November 1, 2022, and ending on November 1, 2032,
14 the price to be paid to a plant used to satisfy the baseload renewable power
15 portfolio requirement. The Commission shall not be required to make this
16 determination as a contested case under 3 V.S.A. chapter 25. The price shall
17 be the avoided cost of the Vermont composite electric utility system. In this
18 subsection, the term "avoided cost" means the incremental cost to retail
19 electricity providers of electric energy or capacity, or both, which, but for the
20 purchase from the plant proposed to satisfy the baseload renewable power
21 portfolio requirement, such providers would obtain from a source using the

1 same generation technology as the proposed plant. In this subsection, the term
2 “avoided cost” also includes the Commission’s consideration of each of the
3 following:

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

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

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

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

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

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

19 (7) Mechanisms for encouraging dispatch of the proposed plant relative
20 to the ISO New England wholesale energy price and value of regional

1 renewable energy credits, while also respecting the physical operating
2 parameters and fixed costs of the proposed plant.

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

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

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

13 * * *

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

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

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

17 (l) In considering the assessment of whether fuel supplies use ecologically
18 sound harvesting practices and whether they promote a diverse and sustainable
19 forest economy in the region, the Agency of Natural Resources shall provide
20 input to the Commission regarding any recommended changes to the biomass

1 harvesting practices associated with fuel supply, and the Commission shall
2 incorporate such recommendations in the Order.

3 Sec. 2. TRANSITION PROVISION

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

9 Sec. 3. EFFECTIVE DATE

10 This act shall take effect on passage.

11

12 (Committee vote: _____)

13

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Senator _____

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FOR THE COMMITTEE