

Sec. 1. SHORT TITLE AND PURPOSE

This act may be cited as the Analysis of a 100% Renewable Energy Standard

Purpose: The purpose of this bill is to commit to adopting a 100% renewable energy standard during the 2021 legislative session and to ensure that lawmakers have the necessary information to make an informed judgment as to the costs and benefits of different design features of a 100% renewable energy standard.

Sec. 2. LEGISLATIVE FINDINGS

The General Assembly finds that:

- (1) The general assembly is committed to adopting a 100% renewable energy standard in the 2021 legislative session. A 100% renewable energy standard that is well designed has the potential to further progress on meeting climate and economic development goals.
- (2) Distributed generation has the potential to increase economic development while meeting climate goals.
- (3) There are numerous alternative designs for a 100% renewable energy standard and a poorly designed 100% renewable energy standard could result in unnecessary, additional costs to electric customers of hundreds of millions of dollars over the life of the renewable energy standard related to transmission costs, distribution system costs, and power supply costs.
- (4) There is currently insufficient information to determine the potential cost impacts to electric customers of various designs for a 100% renewable energy standard.
- (5) Due to the incremental pacing of the renewable energy standard requirements, implementing a 100% renewable energy standard in 2021 will not impair or delay the benefits of a 100% renewable energy standard.
- (6) The general assembly finds that it is in the best interests of Vermont's electric customers to require an assessment of the costs associated with alternative design options for a 100% renewable energy standard.

Section 3. STUDY REQUIREMENTS RELATED TO DESIGN OPTIONS FOR A 100% RENEWABLE ENERGY STANDARD

- (a) The department of public service shall submit, no later than December 1, 2020, a report that analyzes the costs of different design options for a 100% renewable energy standard. The report shall not provide a recommendation regarding the appropriate design, and shall be limited to the potential costs of design options. The report shall consider, at a minimum:
  - (1) Potential costs and benefits of alternative designs of a 100% renewable energy standard, including, at a minimum:

- A. Increasing the Tier 1 requirement to 80% of retail kWh sales in 2030
  - B. Limiting the percentage of Tier 1 that may be met by hydroelectric resources with a nameplate capacity greater than 200 MW.
  - C. Modifying the Tier 2 requirement to be 5%, 10%, 15%, and 20% of retail kWh sales in 2030.
  - D. Incorporating a hypothetical new Tier 4 requirement associated with new renewable resources, similar to the Class I requirements of other New England states, at levels of 5%, 10%, 15%, and 20% of retail kWh sales in 2030.
  - E. Allowing existing hydroelectric resources that meet modern water quality standards to be eligible for Tier 2 or a hypothetical Tier 4.
  - F. Potential strategies for minimizing costs in the above scenarios.
- (2) Potential benefits of in-state generation resources
- A. The potential economic benefits of requiring that a certain percentage of electric kWh sales be met with renewable energy credits from in-state generation resources.
  - B. The potential resilience benefits of requiring that a certain percentage of electric kWh sales be met with renewable energy credits from in-state generation resources.
- (3) Potential impacts of increased electric rates
- A. The potential impact of increased electric rates on the adoption of beneficial electrification strategies such as electric vehicles and heat pumps.
  - B. The potential impact of increased electric rates on Vermont businesses.
- (4) The connection between the renewable energy standard and other renewable requirements:
- A. The potential for resources developed through the net metering and standard offer programs to help meet the renewable energy standard and the impact of these programs on the cost of renewable development.
- (b) Stakeholder Process. Prior to September 1, 2020, the department of public service shall hold at least one stakeholder meeting to discuss the development of assumptions and methodologies for the analysis required and provide an opportunity for filing of stakeholder comments. Prior to November 1, 2020, the Department shall hold a stakeholder meeting to discuss the draft findings of the report and provide an opportunity for filing of stakeholder comments.
- (c) Submission of Report. The department of public service shall submit the final report by December 1, 2020 to the Senate Finance and Natural Resources & Energy Committees, the House Energy & Technology, and Commerce Committees. The department of public service shall be available to present the results of the report and answer any questions from legislators prior to the start of the 2021 legislative session.