

1 TO THE HOUSE OF REPRESENTATIVES:

2 The Committee on Energy and Technology to which was referred Senate
3 Bill No. 161 entitled “An act relating to extending the baseload renewable
4 power portfolio requirement” respectfully reports that it has considered the
5 same and recommends that the House propose to the Senate that the bill be
6 amended by striking out all after the enacting clause and inserting in lieu
7 thereof the following:

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

9 § 8009. BASELOAD RENEWABLE POWER PORTFOLIO
10 REQUIREMENT

11 * * *

12 (b) Notwithstanding subsection 8004(a) and subdivision 8005(c)(1) of this
13 title, commencing November 1, 2012, each Vermont retail electricity provider
14 shall purchase the provider’s pro rata share of the baseload renewable power
15 portfolio requirement, which shall be based on the total Vermont retail kWh
16 sales of all such providers for the previous calendar year. The obligation
17 created by this subsection shall cease on November 1, ~~2024~~ 2032, unless
18 terminated earlier pursuant to subsection (k) of this section.

19 * * *

20 (d) ~~The~~ On or before November 1, 2026, the Commission shall determine,
21 for the period beginning on November 1, 2026 and ending on November 1,

1 ~~2032~~, the price to be paid to a plant used to satisfy the baseload renewable
2 power portfolio requirement. The Commission shall not be required to make
3 this determination as a contested case under 3 V.S.A. chapter 25. The price
4 shall be the avoided cost of the Vermont composite electric utility system. ~~It~~
5 As used in this subsection, the term “avoided cost” means the incremental cost
6 to retail electricity providers of electric energy or capacity, or both, which, but
7 for the purchase from the plant proposed to satisfy the baseload renewable
8 power portfolio requirement, such providers would obtain from a source using
9 the same generation technology as the proposed plant. ~~It~~ For the purposes of
10 this subsection, the term “avoided cost” also includes the Commission’s
11 consideration of each of the following:

- 12 (1) ~~The~~ the relevant cost data of the Vermont composite electric utility
13 system;
- 14 (2) ~~The~~ the terms of the potential contract, including the duration of the
15 obligation;
- 16 (3) ~~The~~ the availability, during the system’s daily and seasonal peak
17 periods, of capacity or energy from a proposed plant;
- 18 (4) ~~The~~ the relationship of the availability of energy ~~or~~, capacity,
19 renewable energy credits and attributes, and other market products and services
20 from the proposed plant to the ability of the Vermont composite electric utility
21 system or a portion thereof to avoid costs;

1 that has been harvested in accordance with the terms of the certificate of public
2 good issued for the plant. For purchases of biomass from other states, the
3 biomass shall have been harvested in accordance with the laws of jurisdiction
4 where the harvesting occurred.

5 * * *

6 (j) The Commission shall authorize any Agency participating in a
7 proceeding pursuant to this section or an order issued under this section to
8 assess its costs against a proposed plant consistent with section 21 of this title.

9 (k) Collocation and efficiency requirements.

10 (1) On or before July 1, 2023, the owner of the plant used to satisfy the
11 baseload renewable power portfolio requirement shall submit to the
12 Commission and the Department:

13 (A) a signed contract providing for the construction of a facility at the
14 plant that utilizes the excess thermal heat generated at the plant for a beneficial
15 purpose. As used in this subsection, beneficial purpose may include the
16 displacement of fossil fuel use for the sustainable production of a product or
17 service, or in more efficient or less costly generation of electricity; and

18 (B) a certification by a professional engineer that the construction of
19 the facility shall result in an increase in the overall efficiency of the plant by at
20 least 50 percent relative to of July 1, 2022.

1 (2) On or before October 1, 2024, the owner of the plant shall submit to
2 the Commission and the Department a certification that the main components
3 of a facility that will cause the plant's overall efficiency to be increased by at
4 least 50 percent relative to July 1, 2022 have been completed.

5 (3) If the contract and certification required under subdivision (1) of this
6 subsection are not submitted to the Commission and Department on or before
7 July 1, 2023 or if the certification required under subdivision (2) of this
8 subsection is not submitted to the Commission and Department on or before
9 October 1, 2024, then the obligation under this section for each Vermont retail
10 electricity provider to purchase a pro rata share of the baseload renewable
11 power portfolio requirement shall cease on November 1, 2024, and the
12 Commission is not required to conduct the rate determination provided for in
13 subsection (d) of this section.

14 (4) On or before September 1, 2025, the Department shall investigate
15 and determine whether the overall efficiency of the plant used to satisfy the
16 baseload renewable power portfolio requirement has increased by at least 50
17 percent relative to July 1, 2022. If the Department determines that the overall
18 efficiency of the plant has not increased by at least 50 percent from the
19 efficiency as of July 1, 2022, then the obligation under this section shall cease
20 on November 1, 2025, and the Commission is not required to conduct the rate
21 determination provided for in subsection (d) of this section.

1 (5) After November 1, 2026, the owner of the plant shall report annually
2 to the Department and the Department shall verify the overall efficiency of the
3 plant. If the overall efficiency of the plant falls below the rate reported in
4 subdivision (4) of this subsection, the report shall include a plan to return the
5 plant to the rate reported in subdivision (4).

6 (6) If the owner of the plant does not comply with the plan required
7 under subdivision (5) of this subsection, the Department shall request that the
8 Commission commence a proceeding to terminate the obligation under this
9 section.

10 (7) The Department may retain research, scientific, or engineering
11 services to assist it in making the determination required under subsection (d)
12 and in reviewing the information required under subsection (f) and may
13 allocate the expense incurred or authorized by it to the plant's owner.

14 (1) Annual report. On or before August 1, 2023, the owner of the plant
15 used to satisfy the baseload renewable power portfolio shall report annually to
16 the House Committee on Energy and Technology and Senate Committee on
17 Finance, Commissioner of Forests, Parks and Recreation, and the Secretary of
18 Commerce and Community Development on the wood fuel purchases for the
19 plant. The report shall include the average monthly price paid for the wood
20 fuel and the source of the wood fuel, including location, number, types, and
21 sources of non-forest-derived wood.

1 Sec. 2. 2021 Acts and Resolves No. 39, Sec. 2 is amended to read:

2 Sec. 2. PUBLIC UTILITY COMMISSION ORDER EXTENSION

3 All decisions and orders of the former Public Service Board and the Public
4 Utility Commission in the matter Investigation into the Establishment of a
5 Standard-Offer Price for Baseload Renewable Power under the Sustainably
6 Priced Energy Enterprise Development (SPEED) Program, Docket No. 7782,
7 shall remain in full force and effect through October 31, ~~2024~~ **2026**. For years
8 ~~2023 and~~, 2024, and 2025 and the period from January 1, 2026 to October 31,
9 2026, the purchase price shall be the levelized value determined in Docket
10 No. 7782.

11 **Sec. 3. REPORT; RYEGATE DECOMMISSIONING FUND**

12 **On or before January 15, 2023, the Public Utility Commission**
13 **(Commission) shall assess the current value of the Ryegate decommissioning**
14 **fund and determine if it is sufficient to cover the costs necessary to**
15 **decommission the plant. The Commission shall submit the report to the**
16 **General Assembly and include any recommendations.**

17 **Sec. 4. REPORT; WOOD FUEL PRICES**

18 **(a) On or before July 1, 2024, the Commissioner of Forests, Parks, and**
19 **Recreation and the Secretary of Commerce and Community Development shall**
20 **determine a minimum fair market price for wood fuel to be used by the plant**
21 **used to satisfy the baseload renewable power portfolio requirement. The**

1 Commissioner may hire a forest economist and interview wood chip fuel
2 producers and examine their costs to determine a range in cost of production
3 that accounts for different equipment types, delivery distance, average wages
4 paid to employees, and return on investment of the enterprises.

5 (b) The Commissioner of Forests, Parks, and Recreation may assess the
6 costs of hiring a consultant for the purposes of the report in subsection (a) of
7 this section on the owners of the baseload renewable power plant, up to
8 \$XX,000.

9 Sec. 5. EFFECTIVE DATE

10 This act shall take effect on passage.

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15 (Committee vote: _____)

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Representative _____

FOR THE COMMITTEE