

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 relevant cost data of the Vermont composite electric utility
13 system.
- 14 (2) The terms of the potential contract, including the duration of the
15 obligation.
- 16 (3) The availability, during the system’s daily and seasonal peak
17 periods, of capacity or energy from a proposed plant.
- 18 (4) The relationship of the availability of energy ~~or~~, capacity, renewable
19 energy credits and attributes, and other energy 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. Vermont retail electricity providers

1 shall receive all output of the baseload renewable plant unless the contract
2 price is reduced to reflect the value of all products, attributes, and services that
3 are retained by the seller.

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

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

10 (7) Mechanisms for encouraging dispatch of the plant relative to the ISO
11 New England wholesale energy price and value of regional renewable energy
12 credits while also respecting the physical operating parameters, the fixed costs
13 of the proposed plant, and the impact on the forest economy.

14 (8) the appropriate assignment of risks associated with the ISO New
15 England Forward Capacity Market Pay for Performance program.

16 (e) In determining the price under subsection (d) of this section, the
17 Commission:

18 (1) may require a plant proposed to be used to satisfy the baseload
19 renewable power portfolio requirement to produce such information as the
20 Commission reasonably deems necessary; and

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

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

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

17 (4) On or before September 1, 2025, the Department shall investigate
18 and determine whether the overall efficiency of the plant used to satisfy the
19 baseload renewable power portfolio requirement has increased by at least 50
20 percent relative to July 1, 2022. If the Department determines that the overall
21 efficiency of the plant has not increased by at least 50 percent from the

1 efficiency as of July 1, 2022, then the obligation under this section shall cease
2 on November 1, 2025, and the Commission is not required to conduct the rate
3 determination provided for in subsection (d) of this section.

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

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

13 (7) The Department may retain research, scientific, or engineering
14 services to assist it in making the determination required under subsection (d)
15 of this section and in reviewing the information required under subsection (f)
16 of this section and may allocate the expense incurred or authorized by it to the
17 plant's owner.

18 (1) Annual report. On or before August 1, 2023, the owner of the plant
19 used to satisfy the baseload renewable power portfolio shall report annually to
20 the House Committee on Energy and Technology and Senate Committee on
21 Finance, the Commissioner of Forests, Parks and Recreation, and the Secretary

1 of Commerce and Community Development on the wood fuel purchases for
2 the plant. The report shall include the average monthly price paid for the wood
3 fuel and the source of the wood fuel, including location, number, types, and
4 sources of non-forest-derived wood.

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

6 Sec. 2. PUBLIC UTILITY COMMISSION ORDER EXTENSION

7 All decisions and orders of the former Public Service Board and the Public
8 Utility Commission in the matter Investigation into the Establishment of a
9 Standard-Offer Price for Baseload Renewable Power under the Sustainably
10 Priced Energy Enterprise Development (SPEED) Program, Docket No. 7782,
11 shall remain in full force and effect through October 31, ~~2024~~ 2026. For years
12 ~~2023 and~~, 2024, and 2025 and the period from January 1, 2026 to October 31,
13 2026, the purchase price shall be the levelized value determined in Docket
14 No. 7782.

15 Sec. 3. REPORT; RYEGATE DECOMMISSIONING FUND

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

1 Sec. 4. REPORT; WOOD FUEL PRICES

2 (a) On or before July 1, 2024, the Commissioner of Forests, Parks and
3 Recreation and the Secretary of Commerce and Community Development shall
4 determine a minimum fair market price for wood fuel to be used by the plant
5 used to satisfy the baseload renewable power portfolio requirement. The
6 Commissioner may hire a forest economist and interview wood chip fuel
7 producers and examine their costs to determine a range in cost of production
8 that accounts for different equipment types, delivery distance, average wages
9 paid to employees, and return on investment of the enterprises.

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

14 Sec. 5. EFFECTIVE DATE

15 This act shall take effect on passage.

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18 (Committee vote: _____)

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Representative _____

FOR THE COMMITTEE