

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 ISO New England revenue streams
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;

21 (2) shall not consider the following in the determination of avoided cost:

1 attributes, or other ISO New England revenue streams, the price paid by the
2 Vermont retail electricity providers pursuant to this section may be reduced by
3 the Commission to reflect the value of those credits, attributes, products, or
4 services.

5 * * *

6 (5) A plant proposed to be used to satisfy the baseload renewable power
7 portfolio requirement shall only purchase **whole tree chips and roundwood**
8 that have been harvested in accordance with the terms of the certificate of
9 public good issued for the plant. For purchases of biomass from other states,
10 the biomass shall have been harvested in accordance with the laws of
11 jurisdiction where the harvesting occurred.

12 * * *

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

16 (k) Collocation and efficiency requirements.

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

20 (A) A signed contract providing for the construction of a facility at
21 the plant that utilizes the excess thermal heat generated at the plant for a

1 beneficial purpose. As used in this subdivision (A), beneficial purpose may
2 include the displacement of fossil fuel use for the sustainable production of a
3 product or service, or more efficient or less costly generation of electricity.

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

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

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

20 (4) On or before September 1, 2025, the Department shall
21 investigate and **recommend to the Commission** whether the overall

1 efficiency of the plant used to satisfy the baseload renewable power
2 portfolio requirement has increased by at least 50 percent relative to July
3 1, 2022. If the Department recommends that the overall efficiency of the
4 plant has not increased by at least 50 percent from the efficiency as of July
5 1, 2022, the Commission shall commence a proceeding to make a
6 determination of whether the overall efficiency of the plant has increased
7 by at least 50 percent relative to July 1, 2022, the obligation under this
8 section shall cease on November 1, 2025, and the Commission is not
9 required to conduct the rate determination provided for in subsection (d)
10 of this section unless the proceeding is determines the efficiency has
11 increased as required.

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

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

1 (7) The Department may retain research, scientific, or engineering
2 services to assist it in making the recommendation required under subsection
3 (4) of this section and in reviewing the information required under subsection
4 (5) of this section and may allocate the expense incurred or authorized by it to
5 the plant's owner.

6 (1) Annual report. On or before August 1, 2023, the owner of the plant
7 used to satisfy the baseload renewable power portfolio shall report annually to
8 the House Committee on Energy and Technology and Senate Committee on
9 Finance, the Commissioner of Forests, Parks and Recreation, and the Secretary
10 of Commerce and Community Development on the wood fuel purchases for
11 the plant. The report shall include the average monthly price paid for the wood
12 fuel and the source of the wood fuel, including location, number, types, and
13 sources of non-forest-derived wood.

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

15 Sec. 2. PUBLIC UTILITY COMMISSION ORDER EXTENSION

16 All decisions and orders of the former Public Service Board and the Public
17 Utility Commission in the matter Investigation into the Establishment of a
18 Standard-Offer Price for Baseload Renewable Power under the Sustainably
19 Priced Energy Enterprise Development (SPEED) Program, Docket No. 7782,
20 shall remain in full force and effect through October 31, ~~2024~~ 2026. For years
21 2023 and, 2024, and 2025 and the period from January 1, 2026 to October 31,

1 2026, the purchase price shall be the levelized value determined in Docket
2 No. 7782.

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

4 On or before January 15, 2023, the Department of Public Service
5 (Department) shall assess the current value of the Ryegate decommissioning
6 fund and determine if it is sufficient to cover the costs necessary to
7 decommission the plant. The Department shall submit the report to the
8 General Assembly and include any recommendations.

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

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

18 (b) The Commissioner of Forests, Parks and Recreation may assess the
19 costs of hiring a consultant for the purposes of the report in subsection (a) of
20 this section on the owners of the baseload renewable power plant, up to
21 \$10,000.00.

1 **Sec. 5. HARVESTING PRACTICES**

2 The Secretary of Natural Resources shall review **the Memorandum of**
3 Understanding (MOU) **that is part of Docket No. 5217** regarding the harvesting
4 policy for Ryegate’s wood procurement. On or before July 1, 2023, the
5 Secretary shall **provide an update to the House Committee on Energy and**
6 **Technology and the Senate Committee on Finance on any necessary**
7 **modifications to the MOU to promote sustainable and healthy forests and**
8 **forest economy in the region.**

9 **Sec. 6. EFFECTIVE DATE**

10 This act shall take effect on passage.

11
12
13 (Committee vote: _____)

Representative _____

FOR THE COMMITTEE