

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 (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) The owner of the plant used to satisfy the baseload renewable power  
11 portfolio requirement shall cause the plant's overall efficiency to be increased  
12 by at least 50 percent relative to the 12-month period preceding July 1, 2022.  
13 In achieving this efficiency, the owner shall comply with the requirements of  
14 this subsection.

15 (2) On or before July 1, 2023, the owner of the plant shall submit to the  
16 Commission and the Department:

17 (A) A signed contract providing for the construction of a facility at  
18 the plant that utilizes the excess thermal heat generated at the plant for a  
19 beneficial purpose. As used in this subdivision (A), beneficial purpose may  
20 include the displacement of fossil fuel use for the sustainable production of a  
21 product or service or more efficient or less costly generation of electricity.

1           (B) A certification by a qualified professional engineer that the  
2           construction of the facility shall meet the requirement of subdivision (1) of this  
3           subsection (k).

4           (3) 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 the facility used to meet the requirement of subdivision (1) of this  
7           subsection (k) have been completed.

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

17          (5) On or before September 1, 2025, the Department shall investigate  
18          and submit a recommendation to the Commission on whether the plant has  
19          achieved the requirement of subdivision (1) of this subsection. If the  
20          Department recommends that the plant has not achieved the requirement of  
21          subdivision (1) of this subsection, the obligation under this section shall cease

1 on November 1, 2025, and the Commission is not required to conduct the rate  
2 determination provided for in subsection (d) of this section.

3 (6) After November 1, 2026, the owner of the plant shall report annually  
4 to the Department and the Department shall verify the overall efficiency of the  
5 plant for the prior 12-month period. If the overall efficiency of the plant falls  
6 below the requirement of subdivision (1) of this subsection, the report shall  
7 include a plan to return the plant to the required efficiency within one year.

8 (7) If, after implementing the plan in subdivision (6) of this subsection,  
9 the owner of the plant does not achieve the efficiency required in subdivision  
10 (1) of this subsection, the Department shall request that the Commission  
11 commence a proceeding to terminate the obligation under this section.

12 (8) The Department may retain research, scientific, or engineering  
13 services to assist it in making the recommendation required under subdivision  
14 (5) of this subsection and in reviewing the information required under  
15 subdivision (6) of this subsection and may allocate the expense incurred or  
16 authorized by it to the plant's owner.

17 (1) Annual report. Beginning on August 1, 2023, the owner of the plant  
18 used to satisfy the baseload renewable power portfolio shall report annually to  
19 the House Committee on Energy and Technology and Senate Committee on  
20 Finance, the Commissioner of Forests, Parks and Recreation, and the Secretary  
21 of Commerce and Community Development on the wood fuel purchases for

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

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

5 Sec. 2. PUBLIC UTILITY COMMISSION ORDER EXTENSION

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

14 Sec. 3. REPORT; RYEGATE DECOMMISSIONING FUND

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

1       Sec. 4. REPORT; WOOD FUEL PRICES

2           (a) The Commissioner of Forests, Parks and Recreation in consultation  
3       with the Secretary of Commerce and Community Development shall conduct  
4       analysis and calculate a minimum fair market price for wood fuel to be used by  
5       the plant used to satisfy the baseload renewable power portfolio requirement.  
6       The 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       \$10,000.00.

14          (c) On or before July 1, 2024, the Commissioner shall submit the  
15       calculation to the House Committee on Energy and Technology, the Senate  
16       Committee on Finance, and the Public Utility Commission.

17       Sec. 5. HARVESTING PRACTICES

18           The Secretary of Natural Resources shall review the Memorandum of  
19       Understanding (MOU) that is part of Docket No. 5217 regarding the harvesting  
20       policy for Ryegate’s wood procurement. On or before July 1, 2023, the  
21       Secretary shall provide an update to the House Committee on Energy and

1 Technology and the Senate Committee on Finance on any recommended or  
2 completed modifications to the MOU to promote sustainable and healthy  
3 forests and forest economy in the region.

4 Sec. 6. EFFECTIVE DATE

5 This act shall take effect on passage.

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8 (Committee vote: \_\_\_\_\_)

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10

\_\_\_\_\_  
Representative \_\_\_\_\_

11

FOR THE COMMITTEE