

1 TO THE HONORABLE SENATE:

2 The Committee on Finance to which was referred House Bill No. 431  
3 entitled “An act relating to miscellaneous energy subjects” respectfully reports  
4 that it has considered the same and recommends that the Senate propose to the  
5 House that the bill be amended as follows:

6 First: In Sec. 5, 30 V.S.A. § 201, by striking subdivision (4) in its entirety  
7 and inserting in lieu thereof the following:

8 (4) “Energy storage facility” means a stationary device or system that  
9 ~~uses mechanical, chemical, or thermal processes to store energy for export to~~  
10 ~~the grid~~ captures energy produced at one time, stores that energy for a period  
11 of time, and delivers or may deliver that energy as electricity to the grid for use  
12 at a future time. This includes hydrogen storage facilities that may deliver the  
13 energy for use at a future time in a form other than electricity.

14 Second: In Sec. 5, 30 V.S.A. § 201, in subdivision (6), by striking out “,  
15 unless the Commission establishes a larger threshold by rule”

16 Third: In Sec. 6, 30 V.S.A. § 203, after the asterisks, by adding a  
17 subdivision (8) to read:

18 (8) For purposes of this section, “storage” has the same meaning as  
19 “energy storage facility” as defined in section 201 of this title.

1        Fourth: In Sec. 8, 30 V.S.A. § 231, in subsection (c), by striking out “For  
2        an energy storage facility not already subject to this section, an” and inserting  
3        in lieu thereof the word An

4        Fifth: In Sec. 9, 30 V.S.A. § 248, by striking out subsection (u) in its  
5        entirety and inserting in lieu thereof the following:

6        (u) For an energy storage facility, A a certificate under this section shall  
7        only be required for ~~an energy storage~~ a stationary facility exporting to the grid  
8        that has a capacity of ~~500~~ 100 kW or greater. The Commission shall establish  
9        a simplified application process for energy storage facilities subject to this  
10       section with a capacity of up to 1 MW, unless it establishes a larger threshold  
11       by rule.

12       Sixth: In Sec. 10, 30 V.S.A. § 8002, by striking out subdivision (30) in its  
13       entirety and inserting in lieu thereof the following:

14       (30) “Energy storage facility” has the same meaning as in section 201 of  
15       this title.

16       Seventh: By striking out Sec. 16, effective dates, and its reader assistance  
17       heading in their entireties and inserting in lieu thereof the following:

18                                \* \* \* Energy Storage; Uniform Capacity Tax \* \* \*

19       Sec. 16. 32 V.S.A. § 8701 is amended to read:

20       § 8701. UNIFORM CAPACITY TAX

1 (a) As used in this section, the terms “energy storage facility,” “kW,”  
2 “kWh,” “plant,” “plant capacity,” and “renewable energy” shall be as defined  
3 in 30 V.S.A. §§ 201(4) and 8002; provided, however, that any tax or  
4 exemption under this chapter shall only apply to the fixtures and personal  
5 property of a plant, and not to the underlying land.

6 (b)(1) There is assessed on any renewable energy plant in Vermont  
7 commissioned to generate solar power an annual tax of \$4.00 per kW of plant  
8 capacity.

9 (2) There is assessed on any stationary grid-connected energy storage  
10 facility in Vermont that has a plant energy rating of 600 kWh or larger and that  
11 is not connected to a renewable energy plant an annual tax of \$0.50 per kWh of  
12 plant energy rating.

13 (3) The tax imposed under this section shall be paid to the Department  
14 of Taxes ~~no~~ not later than April 15 of each year and accompanied by a return  
15 with such information as the Department of Taxes may require. The  
16 Department of Taxes shall deposit the taxes collected under this section into  
17 the Education Fund. The Department of Taxes may adopt procedures and rules  
18 necessary to implement the tax in this section.

19 (c) A renewable energy plant that generates electricity from solar power  
20 shall be exempt from taxation under this section if it has a plant capacity of

1 less than 50kW. An energy storage facility shall be exempt from taxation  
2 under this section if it has a plant energy rating of less than 600 kWh.

3 (d) The existence of a renewable energy plant or energy storage facility  
4 subject to tax under subsection (b) of this section shall not:

5 (1) alter the exempt status of any underlying property under section  
6 3802 or subdivision 5401(10)(F) of this title; or

7 (2) alter the taxation of the underlying property under chapter 135 of  
8 this title.

9 \* \* \* Property Tax \* \* \*

10 Sec. 17. 32 V.S.A. § 3800(n) is added to read:

11 (n) The statutory purpose of the exemptions for renewable energy plants  
12 generating electricity from solar power in subdivision 3802(17) of this title and  
13 for energy storage facilities in subdivision 3802(19) of this title is to lower the  
14 cost of generating and storing electricity from solar power for smaller plants  
15 and facilities.

16 Sec. 18. 32 V.S.A. § 3802 is amended to read:

17 § 3802. PROPERTY TAX

18 The following property shall be exempt from taxation:

19 \* \* \*



1 (ii) renewable energy plants generating electricity from solar  
2 power and energy storage facilities that are taxed under section 8701 of this  
3 title.

4 \* \* \*

5 \* \* \* Effective Dates \* \* \*

6 Sec. 21. EFFECTIVE DATES

7 This act shall take effect on July 1, 2021, except that Sec. 9 (30 V.S.A.  
8 § 248) shall take effect on December 31, 2022.

9 (Committee vote: \_\_\_\_\_)

10 \_\_\_\_\_

11 Senator \_\_\_\_\_

12 FOR THE COMMITTEE