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 by striking out all after the enacting clause and
6	inserting in lieu thereof the following:
7	* * * Occupational Safety and Health * * *
8	Sec. 1. 30 V.S.A. § 207 is amended to read:
9	§ 207. REPORT OF ACCIDENTS; INVESTIGATION
10	The superintendent or manager of any line or plant, subject to supervision
11	under this chapter, shall, immediately after its occurrence, notify the
12	Department in writing of any accident that occurs within this State
13	immediately after its occurrence, upon such line or plant resulting that results
14	in loss of life or injury to any person that shall incapacitate incapacitates him
15	or her from engaging in his or her usual vocations. The If the accident is
16	subject to investigation by VOSHA pursuant to 21 V.S.A. chapter 3,
17	subchapters 4 and 5, the Department shall provide support as requested by
18	VOSHA, and VOSHA shall, to the extent permitted by law, provide the
19	Department with any information pertaining to the investigation that is
20	requested by the Department. If the accident it not subject to investigation by
21	VOSHA, the Department shall inquire into the cause of every such the

1	accident, and if, in its judgment, a public investigation is necessary, it shall fix
2	a time and place of holding the same, and shall thereupon proceed as provided
3	in 5 V.S.A. § 3454 relating to investigation of accidents upon railroads shall
4	make any recommendations to the company and to the Public Utility
5	Commission as appropriate.
6	* * * Public Records Act * * *
7	Sec. 2. 1 V.S.A. § 317 is amended to read:
8	§ 317. DEFINITIONS; PUBLIC AGENCY; PUBLIC RECORDS AND
9	DOCUMENTS; EXEMPTIONS
10	* * *
11	(c) The following public records are exempt from public inspection and
12	copying:
13	* * *
14	(43) Records relating to a regulated utility's cybersecurity program,
15	assessments, and plans, including all reports, summaries, compilations,
16	analyses, notes, or other cybersecurity information.
17	* * *
18	* * * Energy Storage * * *
19	Sec. 3. 10 V.S.A. § 6001 is amended to read:
20	§ 6001. DEFINITIONS
21	In As used in this chapter:

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1	* * *
2	(3)(A) "Development" means each of the following:
3	* * *
4	(D) The word "development" does not include:
5	* * *
6	(ii) The construction of improvements for an electric generation,
7	energy storage, or transmission facility that requires a certificate of public
8	good under 30 V.S.A. § 248, or is subject to regulation under 30 V.S.A.
9	<u>§ 8011,</u> a natural gas facility as defined in 30 V.S.A. § 248(a)(3), or a
10	telecommunications facility issued a certificate of public good under 30 V.S.A.
11	§ 248a.
12	* * *
13	Sec. 4. 24 V.S.A. § 4413 is amended to read:
14	§ 4413. LIMITATIONS ON MUNICIPAL BYLAWS
15	* * *
16	(b) A bylaw under this chapter shall not regulate public utility power
17	generating plants electric generation facilities, energy storage facilities, and
18	transmission facilities regulated under 30 V.S.A. § 248 or subject to regulation
19	<u>under 30 V.S.A. § 8011</u> .
20	* * *
21	Sec. 5. 30 V.S.A. § 201 is amended to read:

1	§ 201. DEFINITIONS
2	As used in this chapter:
3	* * *
4	(4) "Energy storage facility" means a <u>stationary device or</u> system that
5	captures energy produced at one time, stores that energy for a period of time,
6	and delivers or may deliver that energy as electricity to the grid for use at a
7	future time uses mechanical, chemical, or thermal processes to store energy for
8	export to the grid.
9	(5) "Energy storage aggregation" means a virtual resource formed by
10	combining multiple stationary energy storage devices at different points of
11	interconnection on the distribution system.
12	(6) "Energy storage aggregator" means an entity other than a
13	distribution utility that is operating an energy storage aggregation of 100 kW
14	or greater aggregate nameplate capacity.
15	Sec. 6. 30 V.S.A. § 203 is amended to read:
16	§ 203. JURISDICTION OF CERTAIN PUBLIC UTILITIES
17	* * *
18	(1) A company engaged in the manufacture, transmission, distribution,
19	storage, or sale of gas or electricity directly to the public or to be used
20	ultimately by the public for lighting, heating, or power and so far as relates to
21	their use or occupancy of the public highways.

1	(2) That part of the business of a company that consists of the
2	manufacture, transmission, distribution, storage, or sale of gas or electricity
3	directly to the public or to be used ultimately by the public for lighting,
4	heating, or power and so far as relates to their use or occupancy of the public
5	highways.
6	* * *
7	(8) For purposes of this section, "storage" has the same meaning as
8	"energy storage facility" as defined in section 201 of this title.
9	Sec. 7. 30 V.S.A. § 209 is amended to read:
10	§ 209. JURISDICTION; GENERAL SCOPE
11	* * *
12	(k) Energy storage facilities. Except when owned by a retail distribution
13	utility, an energy efficiency utility, or the Vermont Electric Power Company,
14	Inc., competitive suppliers of energy storage services that do not serve retail
15	customers shall be exempt from sections 107, 108, and 109 of this title.
16	Sec. 8. 30 V.S.A. § 231 is amended to read:
17	§ 231. CERTIFICATE OF PUBLIC GOOD; ABANDONMENT OF
18	SERVICE; HEARING
19	* * *
20	(c) An energy storage aggregator that operates an energy storage facility is
21	subject to this section only if the aggregator is not a retail electric provider.

1	Sec. 9. 30 V.S.A. § 248 is amended to read:
2	§ 248. NEW GAS AND ELECTRIC PURCHASES, INVESTMENTS, AND
3	FACILITIES; CERTIFICATE OF PUBLIC GOOD
4	(a)(1) No company, as defined in section 201 of this title, may:
5	* * *
6	(4)(A) With respect to a facility located in the State, in response to a
7	request from one or more members of the public or a party, the Public Utility
8	Commission shall hold a nonevidentiary public hearing on a petition for such
9	finding and certificate in at least one county in which any portion of the
10	construction of the facility is proposed to be located. The Commission in its
11	discretion may hold a nonevidentiary public hearing in the absence of any
12	request from a member of the public or a party. From the comments made at a
13	public hearing, the Commission shall derive areas of inquiry that are relevant
14	to the findings to be made under this section and shall address each such area
15	in its decision. Prior to making findings, if the record does not contain
16	evidence on such an area, the Commission shall direct the parties to provide
17	evidence on the area. This subdivision does not require the Commission to
18	respond to each individual comment.
19	* * *
20	(F) The following shall apply to the participation of the Agency of
21	Agriculture, Food and Markets in proceedings held under this subsection:

1	(i) In any proceeding regarding an electric generation facility that
2	will have a capacity greater than 500 kilowatts or an energy storage facility
3	that will have a capacity greater than 1 megawatt and will be sited on a tract
4	containing primary agricultural soils as defined in 10 V.S.A. § 6001, the
5	Agency shall appear as a party and provide evidence and recommendations
6	concerning any findings to be made under subdivision $(b)(5)$ of this section on
7	those soils, and may provide evidence and recommendations concerning any
8	other matters to be determined by the Commission in such a proceeding.
9	* * *
10	(J) This subdivision (J) applies to an application for an electric
11	generation facility with a capacity that is greater than 50 kilowatts and to an
12	application for an energy storage facility that is greater than 1 megawatt, unless
13	the facility is located on a new or existing structure the primary purpose of
14	which is not the generation of electricity. In addition to any other information
15	required by the Commission, the application for such a facility shall include
16	information that delineates:
17	* * *
18	(k)(1) Notwithstanding any other provisions of this section, the
19	Commission may waive, for a specified and limited time, the prohibitions
20	contained in this section upon site preparation for or construction of an electric
21	transmission facility, or a generation facility, or an energy storage facility as

1	necessary to ensure the stability or reliability of the electric system or a natural
2	gas facility, pending full review under this section.
3	* * *
4	(l) Notwithstanding other provisions of this section, and without limiting
5	any existing authority of the Governor, and pursuant to 20 V.S.A. § 9(10) and
6	(11), when the Governor has proclaimed a state of emergency pursuant to
7	20 V.S.A. § 9, the Governor, in consultation with the Chair of the Public
8	Utility Commission and the Commissioner of Public Service or their
9	designees, may waive the prohibitions contained in this section upon site
10	preparation for or construction of an electric transmission facility, or a
11	generation facility, or an energy storage facility as necessary to ensure the
12	stability or reliability of the electric system or a natural gas facility. Waivers
13	issued under this subsection shall be subject to such conditions as are required
14	by the Governor, and shall be valid for the duration of the declared emergency
15	plus 180 days, or such lesser overall term as determined by the Governor.
16	Upon the expiration of a waiver under this subsection, if a certificate of public
17	good has not been issued under this section, the Commission shall require the
18	removal, relocation, or alteration of the facilities, subject to the waiver, as the
19	Commission finds will best promote the general good of the State.
20	* * *

1	(u) For an energy storage facility, A a certificate under this section shall
2	only be required for an energy storage a stationary facility exporting to the grid
3	that has a capacity of 500 100 kW or greater, unless the Commission
4	establishes a larger threshold by rule. The Commission shall establish a
5	simplified application process for energy storage facilities subject to this
6	section with a capacity of up to 1 MW, unless it establishes a larger threshold
7	by rule. For facilities eligible for this simplified application process, a
8	certificate of public good will be issued by the Commission by the forty-sixth
9	day following filing of a complete application, unless a substantive objection is
10	timely filed with the Commission or the Commission itself raises an issue.
11	The Commission may require facilities eligible for the simplified application
12	process to include a letter from the interconnecting utility indicating the
13	absence or resolution of interconnection issues as part of the application.
14	Sec. 10. 30 V.S.A. § 8002 is amended to read:
15	§ 8002. DEFINITIONS
16	As used in this chapter:
17	* * *
18	(30) "Energy storage facility" has the same meaning as in section 201 of
19	this title.
20	Sec. 11. 30 V.S.A. § 8011 is added to read:
21	<u>§ 8011. ENERGY STORAGE FACILITIES</u>

1	(a) The Commission may adopt and implement rules that govern the
2	installation and operation of energy storage facilities of all sizes.
3	(b) The rules may establish a size threshold below which storage facilities
4	need not submit an application for a certificate of public good pursuant to
5	section 248 of this title.
6	(c) The rules may include provisions that govern:
7	(1) the respective duties of retail electricity providers and energy storage
8	facility owners or operators;
9	(2) the electrical and fire safety, power quality, interconnection,
10	metering, and decommissioning of energy storage facilities;
11	(3) the resolution of disputes between energy storage facility owners,
12	operators, and the interconnecting provider;
13	(4) energy storage aggregators and the operation of aggregations; and
14	(5) energy storage facilities paired with other resources, such as net
15	metering and standard offer plants, including retrofits of existing plants.
16	(c) The rules shall establish standards and procedures governing
17	application for and issuance or revocation of a certificate of public good for
18	certain energy storage facilities under the provisions of section 248 of this title.
19	In establishing these standards and procedures, the rules may:

1	(1) waive the requirements of section 248 of this title that are not
2	applicable to energy storage facilities, including criteria that are generally
3	applicable to public service companies as defined in this title;
4	(2) modify notice and hearing requirements of this title as the
5	Commission considers appropriate; and
6	(3) seek to simplify the application and review process.
7	Sec. 12. PUBLIC UTILITY COMMISSION RULEMAKING;
8	INTERCONNECTION RULE
9	On or before March 15, 2022, the Public Utility Commission shall propose
10	an updated interconnection rule that:
11	(1) incorporates energy storage facilities with a capacity of 1 MW or
12	more; and
13	(2) incorporates a simplified process for energy storage facilities with a
14	capacity of between 100 kW and 1 MW.
15	* * * Nuclear Decommissioning Citizens Advisory Panel * * *
16	Sec. 13. 18 V.S.A. § 1700 is amended to read:
17	§ 1700. CREATION; MEMBERSHIP; OFFICERS; QUORUM
18	(a) There is created the Nuclear Decommissioning Citizens Advisory Panel
19	that shall consist of the following:
20	(1) The Secretary of Human Services, ex officio, or designee.
21	(2) The Secretary of Natural Resources, ex officio, or designee.

1	(3) The Commissioner of Public Service, ex officio, or designee.
2	(4) The Secretary of Commerce and Community Development, ex
3	officio, or designee.
4	(5) One member of the House Committee on Energy and Technology,
5	chosen by the Speaker of the House.
6	(6) One member of the Senate Committee on Natural Resources and
7	Energy, chosen by the Committee on Committees.
8	(7) One representative of the Windham Regional Commission or
9	designee, selected by the Regional Commission.
10	(8) One representative <u>Two representatives</u> of the Town of Vernon or
11	designee designees, selected by the legislative body of that town.
12	(9) Six members of the public, two each selected by the Governor, the
13	Speaker of the House, and the President Pro Tempore of the Senate. Under
14	this subdivision, each appointing authority initially shall appoint a member for
15	a three-year term and a member for a four-year term. Subsequent
16	appointments under this subdivision shall be for terms of four years.
17	(10) Two representatives of the <u>owners of the</u> Vermont Yankee Nuclear
18	Power Station (VYNPS or Station) selected by the owner of the Station site.
19	(11) A representative of the International Brotherhood of Electric
20	Workers (IBEW) selected by the IBEW who shall be a present or former
21	employee at the VYNPS.
21	employee at the VYNPS.

1	(12) One <u>optional</u> member who will represent collectively the Towns of		
2	Chesterfield, Hinsdale, Richmond, Swanzey, and Winchester, New Hampshire,		
3	when selected by the Governor of New Hampshire at the invitation of the		
4	Commissioner of Public Service.		
5	(13)(12) One <u>optional</u> member who will represent collectively the		
6	Towns of Bernardston, Colrain, Gill, Greenfield, Leyden, Northfield, and		
7	Warwick, Massachusetts, when selected by the Governor of Massachusetts at		
8	the invitation of the Commissioner of Public Service.		
9	(b) Ex officio members shall serve for the duration of their time in office or		
10	until a successor has been appointed. Members of the General Assembly shall		
11	be appointed for two years or until their successors are appointed, beginning on		
12	or before January 15 in the first year of the biennium. Representatives		
13	designated by ex officio members shall serve at the direction of the designating		
14	authority.		
15	* * *		
16	(f) Members of the panel who are not ex officio members, employees of the		
17	State of Vermont, representatives of the VYNPS owners of the Vermont		
18	Yankee site, or members representing towns outside Vermont, and who are not		
19	otherwise compensated or reimbursed for their attendance, shall be entitled to		
20	\$50.00 per diem and their necessary and actual expenses. Funds for this		
21	purpose shall come from the monies collected under 30 V.S.A. § 22 for the		

1	purpose of maintaining the Department of Public Service. Legislative		
2	members shall not be entitled to a per diem under this section for meetings		
3	while the General Assembly is in session.		
4	(g) The Commissioner of Public Service shall:		
5	* * *		
6	(6) hire experts, contract for services, and provide for materials and		
7	other reasonable and necessary expenses of the Panel as the Commissioner		
8	may consider appropriate on request of the Panel from time to time. Funds for		
9	this purpose shall come from the monies collected under 30 V.S.A. § 22 for the		
10	purpose of maintaining the Department of Public Service and such other		
11	sources as may be or become available. owners of the Vermont Yankee site as		
12	the Commissioner of Public Service may consider appropriate, not to exceed		
13	\$35,000.00 annually. The obligation to support the Panel's activities shall		
14	cease upon the submission of the application for Partial License Termination		
15	by the owners of the Vermont Yankee site to the U.S. Nuclear Regulatory		
16	Commission. On or before June 30 annually, the Commissioner of Public		
17	Service shall render to the owners of the Vermont Yankee site a statement		
18	detailing the amount of money expended or contracted for under this		
19	subdivision (6), which shall be paid within 30 days by the owners of the		
20	Vermont Yankee site into the special fund established pursuant to 30 V.S.A.		
21	§ 22 for the purpose of maintaining the Department of Public Service and		

1	Public Utility Commission. The funds paid into the special fund by the owners			
2	of the Vermont Yankee site shall be paid solely to the Department. Within			
3	30 days after receiving the statement of funds due, the owners of the Vermont			
4	Yankee site may petition the Public Utility Commission for a hearing to review			
5	and determine the necessity and reasonableness of such expenses. Following			
6	the review, the Public Utility Commission may amend or revise the cost			
7	assessments as it deems appropriate.			
8	Sec. 14. 18 V.S.A. § 1701 is amended to read:			
9	§ 1701. DUTIES			
10	The Panel shall serve in an advisory capacity only and shall not have			
11	authority to direct decommissioning of the VYNPS Vermont Yankee site. The			
12	duties of the Panel shall be:			
13	(1) To hold a minimum of $\frac{1}{1}$ four three public meetings each year for the			
14	purpose of discussing issues relating to the decommissioning of the VYNPS			
15	Vermont Yankee. The Panel may hold additional meetings.			
16	(2) To advise the Governor, the General Assembly, the agencies of the			
17	State, and the public on issues related to the decommissioning of the VYNPS			
18	Vermont Yankee, with a written report being provided annually to the			
19	Governor and to the energy committees of the General Assembly. The			
20	provisions of 2 V.S.A. § 20(d) (expiration of reports) shall not apply to this			
21	report.			

1	(3) To serve as a conduit for public information and education on and to			
2	encourage community involvement in matters related to the decommissioning			
3	of the VYNPS Vermont Yankee and to receive written reports and			
4	presentations on the decommissioning of the Station site at its regular			
5	meetings.			
6	(4) To periodically receive reports, including those required by the			
7	Public Utility Commission Docket No. 8880 Order, on the Decommissioning			
8	Trust Fund and other funds associated with decommissioning of or site			
9	restoration at the VYNPS Vermont Yankee, including fund balances,			
10	expenditures made, and reimbursements received.			
11	(5) To receive reports and presentations at regular meetings regarding			
12	the decommissioning progress and plans for the VYNPS Vermont Yankee,			
13	including any site assessments and post-shutdown decommissioning			
14	assessment reports; provide a forum for receiving public comment on these			
15	plans and reports; and to provide comment on these plans and reports as the			
16	Panel may consider appropriate to State agencies and the owner of the VYNPS			
17	Vermont Yankee and in the annual report described in subdivision (2) of this			
18	subsection.			
19	Sec. 15. 18 V.S.A. § 1702 is amended to read:			
20	§ 1702. ASSISTANCE			

1	The Department of Public Service, the Agency of Human Services, and the	
2	Agency of Natural Resources shall furnish administrative support to the Panel,	
3	with assistance from the owners of the VYNPS Vermont Yankee site as the	
4	Commissioner of Public Service may consider appropriate.	
5	* * * Energy Storage; Uniform Capacity Tax * *	
6	Sec. 16. 32 V.S.A. § 8701 is amended to read:	
7	§ 8701. UNIFORM CAPACITY TAX	
8	(a) As used in this section, the terms <u>"energy storage facility,"</u> "kW,"	
9	" <u>kWh,</u> " "plant," "plant capacity," and "renewable energy" shall be as defined	
10	in 30 V.S.A. §§ 201(4) and 8002; provided, however, that any tax or	
11	exemption under this chapter shall only apply to the fixtures and personal	
12	property of a plant, and not to the underlying land.	
13	(b)(1) There is assessed on any renewable energy plant in Vermont	
14	commissioned to generate solar power an annual tax of \$4.00 per kW of plant	
15	capacity.	
16	(2) There is assessed on any stationary grid-connected energy storage	
17	facility in Vermont that has a plant energy rating of 600 kWh or larger and that	
18	is not connected to a renewable energy plant an annual tax of \$0.50 per kWh of	
19	plant energy rating.	
20	(3) The tax imposed under this section shall be paid to the Department	
21	of Taxes no not later than April 15 of each year and accompanied by a return	

1	with such information as the Department of Taxes may require. The			
2	Department of Taxes shall deposit the taxes collected under this section into			
3	the Education Fund. The Department of Taxes may adopt procedures and rules			
4	necessary to implement the tax in this section.			
5	(c) A renewable energy plant that generates electricity from solar power			
6	shall be exempt from taxation under this section if it has a plant capacity of			
7	less than 50kW. An energy storage facility shall be exempt from taxation			
8	under this section if it has a plant energy rating of less than 600 kWh.			
9	(d) The existence of a renewable energy plant or energy storage facility			
10	subject to tax under subsection (b) of this section shall not:			
11	(1) alter the exempt status of any underlying property under section			
12	3802 or subdivision 5401(10)(F) of this title; or			
13	(2) alter the taxation of the underlying property under chapter 135 of			
14	this title.			
15	* * * Property Tax * * *			
16	Sec. 17. 32 V.S.A. § 3800(n) is added to read:			
17	(n) The statutory purpose of the exemptions for renewable energy plants			
18	generating electricity from solar power in subdivision 3802(17) of this title and			
19	for energy storage facilities in subdivision 3802(19) of this title is to lower the			
20	cost of generating and storing electricity from solar power for smaller plants			
21	and facilities.			

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1	Sec. 18. 32 V.S.A. § 3802 is amended to read:		
2	§ 3802. PROPERTY TAX		
3	The following property shall be exempt from taxation:		
4	* * *		
5	(17) Real and personal property, except land, composing comprising a		
6	renewable energy plant generating electricity from solar power which that has		
7	a plant capacity of less than 50 kW and is either:		
8	(A) operated on a net-metered system; or		
9	(B) not connected to the electric grid and provides power only on the		
10	property on which the plant is located.		
11	(18) [Repealed.]		
12	(19) Real and personal property, except land, comprising an energy		
13	storage facility that has a plant energy rating of less than 600 kWh.		
14	Sec. 19. 32 V.S.A. § 3481(1)(E) is added to read:		
15	(E) For real and personal property comprising an energy storage		
16	facility, except land and property that is exempt under subdivision 3802(19) of		
17	this title, the appraisal value shall be \$0.25 per kWh of plant energy rating.		
18	Sec. 20. 32 V.S.A. § 5401(10) is amended to read:		
19	(10) "Nonhomestead property" means all property except:		
20	* * *		
21	(J) Buildings and fixtures of:		

1	(i) wind-powered electric generating facilities taxed under section
2	5402c of this title; and
3	(ii) renewable energy plants generating electricity from solar
4	power and energy storage facilities that are taxed under section 8701 of this
5	title.
6	* * * Tax exemption; Fuels * * *
7	Sec. 21. 32 V.S.A. § 9741 is amended to read:
8	§ 9741. SALES NOT COVERED
9	Retail sales and use of the following shall be exempt from the tax on retail
10	sales imposed under section 9771 of this title and the use tax imposed under
11	section 9773 of this title . :
12	* * *
13	(26) Sales of electricity, oil, gas, and other fuels used in a residence for
14	all domestic use, including heating, but not including fuel sold at retail in free-
14 15	all domestic use, including heating, but not including fuel sold at retail in free- standing containers, or sold as part of a transaction where a free-standing
15	standing containers, or sold as part of a transaction where a free-standing
15 16	standing containers, or sold as part of a transaction where a free-standing container is exchanged without a separate charge. <u>Wood pellets sold to an</u>
15 16 17	standing containers, or sold as part of a transaction where a free-standing container is exchanged without a separate charge. <u>Wood pellets sold to an individual on the vendor's premises or delivered to an individual's residence</u>
15 16 17 18	standing containers, or sold as part of a transaction where a free-standing container is exchanged without a separate charge. <u>Wood pellets sold to an</u> <u>individual on the vendor's premises or delivered to an individual's residence</u> <u>shall be presumed to be purchased for residential use and shall be exempt sales</u>

1	pellets to an individual. The Commissioner shall by rule determine that		
2	portion of the sales attributable to domestic use where fuels are used for		
3	purposes in addition to domestic use.		
4	* * *		
5	* * * Effective Dates * * *		
6	Sec. 22. 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 and Sec. 21 (32 V.S.A. § 9741)		
9	shall take effect on passage.		
10			
11			
12	(Committee vote:)		
13			
14		Representative	
15		FOR THE COMMITTEE	