

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 ~~As~~ As used in this chapter:

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* * *

(3)(A) “Development” means each of the following:

* * *

(D) The word “development” does not include:

* * *

(ii) The construction of improvements for an electric generation, energy storage, or transmission facility that requires a certificate of public good under 30 V.S.A. § 248, or is subject to regulation under 30 V.S.A. § 8011, a natural gas facility as defined in 30 V.S.A. § 248(a)(3), or a telecommunications facility issued a certificate of public good under 30 V.S.A. § 248a.

* * *

Sec. 4. 24 V.S.A. § 4413 is amended to read:

§ 4413. LIMITATIONS ON MUNICIPAL BYLAWS

* * *

(b) A bylaw under this chapter shall not regulate ~~public utility power generating plants~~ electric generation facilities, energy storage facilities, and transmission facilities regulated under 30 V.S.A. § 248 or subject to regulation under 30 V.S.A. § 8011.

* * *

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 stationary device or 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 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 (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~~ Two representatives 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 owners of the 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.~~

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 ~~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 “energy storage facility,” “kW,”
9 “kWh,” “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 ~~to~~ 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 less than 50kW. An energy storage facility shall be exempt from taxation
7 under this section if it has a plant energy rating of less than 600 kWh.

8 (d) The existence of a renewable energy plant or energy storage facility
9 subject to tax under subsection (b) of this section shall not:
10

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.

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-
15 standing containers, or sold as part of a transaction where a free-standing
16 container is exchanged without a separate charge. Wood pellets sold to an
17 individual on the vendor's premises or delivered to an individual's residence
18 shall be presumed to be purchased for residential use and shall be exempt sales
19 under this subdivision unless the vendor knew or ought reasonably to have
20 known that the wood pellets were not purchased for residential use. A
21 certificate of exemption shall not be required for exempt retail sales of wood

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