

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 (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