

S.1 Annotated Amendment

Sec. 1. 30 V.S.A. § 8009 is amended to read:

§ 8009. BASELOAD RENEWABLE POWER PORTFOLIO
REQUIREMENT

(a) ~~In~~ As used in this section:

(1) “Baseload renewable power” means a plant that generates electricity from renewable energy; that, during normal operation, is capable of taking all or part of the minimum load on an electric transmission or distribution system; and that produces electricity essentially continuously at a constant rate.

(2) “Baseload renewable power portfolio requirement” means ~~an annual average of 175,000 MWh~~ the actual output of baseload renewable power from an in-state woody biomass plant that was commissioned prior to September 30, 2009, has a nominal capacity of 20.5 MW, and was in service as of January 1, 2011.

(3) “Biomass” means organic nonfossil material of biological origin constituting a source of renewable energy within the meaning of subdivision 8002~~(17)~~(21) of this title.

(4) [Repealed.]

(b) Notwithstanding subsection 8004(a) and subdivision 8005~~(d)~~(c)(1) of this title, commencing November 1, 2012, ~~the electricity supplied by each~~ Vermont retail electricity provider ~~to its customers~~ shall include purchase the

Commented [EC1]: 1st instance of amendment in draft 5.1: GMP suggestion; was in prior draft of amendment

Commented [EC2]: 2nd instance of amendment in draft 5.1: GMP suggestion; was in last draft

1 provider’s pro rata share of the baseload renewable power portfolio
2 requirement, which shall be based on the total Vermont retail kWh sales of all
3 such providers for the previous calendar year. The obligation created by this
4 subsection shall cease on November 1, ~~2022~~ 2032.

5 (c) A plant used to satisfy the baseload renewable power portfolio
6 requirement shall be a qualifying small power production facility under
7 16 U.S.C. § 796(17)(C) and 18 C.F.R. part 292.

8 (d) ~~The~~ On or before January 1, 2022, the Commission shall determine, for
9 the period beginning on November 1, 2022 and ending on November 1, 2032,

10 the price to be paid to a plant used to satisfy the baseload renewable power
11 portfolio requirement. The Commission shall not be required to make this
12 determination as a contested case under 3 V.S.A. chapter 25. The price shall
13 be the avoided cost of the Vermont composite electric utility system. In this
14 subsection, the term “avoided cost” means the incremental cost to retail
15 electricity providers of electric energy or capacity, or both, which, but for the
16 purchase from the plant proposed to satisfy the baseload renewable power
17 portfolio requirement, such providers would obtain from a source using the
18 same generation technology as the proposed plant. In this subsection, the term
19 “avoided cost” also includes the Commission’s consideration of each of the
20 following:

Commented [EC3]: PUC recommends changing to August

1 (1) The relevant cost data of the Vermont composite electric utility
2 system.

3 (2) The terms of the potential contract, including the duration of the
4 obligation.

5 (3) The availability, during the system's daily and seasonal peak
6 periods, of capacity or energy from a proposed plant.

7 (4) The relationship of the availability of energy ~~or~~ capacity, renewable
8 energy credits and attributes, and other market products and services from the
9 proposed plant to the ability of the Vermont composite electric utility system
10 or a portion thereof to avoid costs.

Commented [EC4]: 3rd instance of amendment in draft 5.1:
GMP suggestion; was in prior draft

11 (5) The costs or savings resulting from variations in line losses from
12 those that would have existed in the absence of purchases from the proposed
13 plant.

14 (6) The supply and cost characteristics of the proposed plant, including
15 the costs of operation and maintenance of an existing plant during the term of a
16 proposed contract.

17 (7) Mechanisms for encouraging dispatch of the proposed plant relative
18 to the ISO New England wholesale energy price and value of regional
19 renewable energy credits, while also respecting the physical operating
20 parameters and fixed costs of the proposed plant.

Commented [EC5]: PUC recommends striking all of (7)
and (10) and adding language to a new subdivision (m)

1 (8) Whether the fuel supply for the proposed plant is obtained from
2 ecologically sound and sustainable sources. In the case of biomass, this shall
3 include an assessment of whether fuel supplies use ecologically sound
4 harvesting practices and whether they promote a diverse and sustainable forest
5 economy in the region.

6 (9) The appropriate assignment of risks associated with the ISO New
7 England Forward Capacity Market Pay-for-Performance Project.

8 (10) Any potential opportunities associated with having the proposed
9 plant withdraw from the ISO New England Forward Capacity Market, while
10 respecting the economic parameters of the proposed plant.

11 * * *

12 (f) With respect to a plant used to satisfy the baseload renewable power
13 portfolio requirement:

14 (1) Vermont retail electricity providers shall receive all of the output of
15 the plant including the electricity, renewable energy credits and attributes, and
16 other market products and services.

17 (2) The Standard Offer Facilitator shall purchase the baseload renewable
18 power, and shall allocate the electricity purchased and any associated costs to
19 the Vermont retail electricity providers based on their pro rata share of total
20 Vermont retail kWh sales for the previous calendar year, and the Vermont
21 retail electricity providers shall accept and pay those costs.

Commented [EC6]: PUC recommends striking (7) and (10) and adding language to a new subdivision (m)

Commented [EC7]: 4th instance of amendment in draft 5.1: GMP suggestion; was in last draft

1 ~~(2)~~(3) Any tradeable renewable energy credits and attributes that are
2 attributable to the electricity purchased shall be transferred to the Vermont
3 retail electricity providers in accordance with their pro rata share of the costs
4 for such electricity as determined under ~~subdivision~~ subdivisions (1) and (2) of
5 this subsection, unless the Commission approves the plant owner retaining
6 renewable energy credits and attributes or other market products and services.
7 If the Commission approves the plant owner retaining renewable energy
8 credits and attributes, or other market products and services, the price and costs
9 paid by the Vermont retail electricity providers pursuant to subdivision (2) of
10 this subsection may be reduced by the Commission to reflect the value of those
11 credits, attributes, products, or services.

12 ~~(3)~~(4) All capacity rights attributable to the plant capacity associated
13 with the electricity purchased shall be transferred to the Vermont retail
14 electricity providers in accordance with their pro rata share of the costs for
15 such electricity as determined under ~~subdivision~~ subdivisions (1) and (2) of
16 this subsection.

17 ~~(4)~~(5) All reasonable costs of a Vermont retail electricity provider
18 incurred under this section shall be included in the provider's revenue
19 requirement for purposes of ratemaking under sections 218, 218d, 225, and
20 227 of this title. In including such costs, the Commission shall appropriately
21 account for any credits received under subdivision ~~(2)~~(3) of this subsection.

1 Costs included in a retail electricity provider’s revenue requirement under this
2 subdivision shall be allocated to the provider’s ratepayers as directed by the
3 Commission.

4 * * *

5 (i) The State and its instrumentalities shall not be liable to a plant owner or
6 retail electricity provider with respect to any matter related to the baseload
7 renewable power portfolio requirement or a plant used to satisfy such
8 requirement, including costs associated with a contract related to such a plant
9 or any damages arising from the breach of such a contract, the flow of power
10 between a plant and the electric grid, or the interconnection of a plant to that
11 grid. For the purpose of this section, the Commission and the Standard Offer
12 Facilitator constitute instrumentalities of the State.

13 (j) Notwithstanding sections 20 and 21 of this title, the Commission shall
14 authorize the Vermont Department of Fish and Wildlife to assess the costs of
15 participating in any proceeding or order under this title relating to biomass
16 production to the applicant or plant.

Commented [EC8]: 5th instance of amendment in draft 5.1:
F&W suggestion; new language

17 (k) It is in the interest of the state to reduce greenhouse gas emissions. A
18 woody biomass plant used to satisfy the baseload renewable power portfolio
19 requirement shall explore the feasibility of, and implement to the greatest
20 degree possible, the utilization of excess thermal energy to offset greenhouse
21 gas emissions and maximize the efficient use of biomass resources. The owner

Commented [EC9]: 6th instance of amendment in draft 5.:
Stored Solar suggestion; new language

1 of a plant used to satisfy the baseload renewable power portfolio requirement
2 shall investigate the feasibility of utilizing the excess thermal energy generated
3 by the plant. The owner shall report on its investigation, including any
4 economically viable options to utilize the excess thermal energy, to the
5 Department of Public Service on or before October 15, 2022. After receiving
6 the owner's report, the Department shall, in consultation with the Agency of
7 Commerce and Community Development, examine any options to utilize the
8 excess thermal energy and the effect of the use or sale of the excess thermal
9 energy on the rate paid to the plant. On or before January 15, 2023, the
10 Department and Agency shall report on the investigation and their findings and
11 recommendations, including any recommended legislation, to the House
12 Committees on Energy and Technology and on Commerce and Economic
13 Development, and to the Senate Committees on Finance and on Economic
14 Development, Housing and General Affairs.

15 (l) In considering the assessment of whether fuel supplies use ecologically
16 sound harvesting practices and whether they promote a diverse and sustainable
17 forest economy in the region, the Agency of Natural Resources shall provide
18 input to the Commission regarding any recommended changes to the biomass
19 harvesting practices associated with fuel supply, and the Commission shall
20 incorporate such recommendations in its order.

1 Sec. 2. TRANSITION PROVISION

2 All decisions and orders of the former Public Service Board and the Public
3 Utility Commission in the matter Investigation into the Establishment of a
4 Standard-Offer Price for Baseload Renewable Power under the Sustainably
5 Priced Energy Enterprise Development (SPEED) Program, Docket No. 7782,
6 shall remain in full force and effect through October 31, 2022.

7 Sec. 3. EFFECTIVE DATE

8 This act shall take effect on passage.

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(Committee vote: _____)

Senator _____

FOR THE COMMITTEE