

1 TO THE HOUSE OF REPRESENTATIVES:

2 The Committee on Environment and Energy to which was referred House
3 Bill No. 289 entitled “An act relating to the Renewable Energy Standard”
4 respectfully reports that it has considered the same and recommends that the
5 bill be amended by striking out all after the enacting clause and inserting in
6 lieu thereof the following:

7 Sec. 1. 30 V.S.A. § 218d is amended to read:

8 § 218d. ALTERNATIVE REGULATION OF ELECTRIC AND NATURAL
9 GAS COMPANIES

10 * * *

11 (n)(1) Notwithstanding subsection (a) of this section and sections 218, 225,
12 226, 227, and 229 of this title, a municipal company formed under local charter
13 or under chapter 79 of this title and an electric cooperative formed under
14 chapter 81 of this title shall be authorized to change its rates for service to its
15 customers if the rate change is:

- 16 (A) applied to all customers equally;
- 17 (B) not more than ~~two~~ three percent during any twelve-month period;
- 18 (C) cumulatively not more than 10 percent from the rates last
19 approved by the Commission; and
- 20 (D) not going to take effect more than 10 years from the last approval
21 for a rate change from the Commission.

1 * * *

2 Sec. 2. 30 V.S.A. § 8002 is amended to read:

3 § 8002. DEFINITIONS

4 As used in this chapter:

5 * * *

6 (8) “Existing renewable energy” means renewable energy produced by a
7 plant that came into service prior to or on ~~June 30, 2015~~ December 31, 2009.

8 * * *

9 (15) “Net metering” means measuring the difference between the
10 electricity supplied to a customer and the electricity fed back by the customer’s
11 net metering system during the customer’s billing period:

12 (A) ~~using~~ Using a single, non-demand meter or ~~such~~ other meter that
13 would otherwise be applicable to the customer’s usage but for the use of net
14 metering; ~~or.~~

15 (B) ~~if~~ If the system serves more than one customer, using multiple
16 meters. The calculation shall be made by converting all meters to a non-
17 demand, non-time-of-day meter, and equalizing them to the tariffed kWh rate.

18 (16) “Net metering system” means a plant for generation of electricity
19 that:

20 (A) is of ~~no~~ not more than 500 kW capacity;

1 (B) operates in parallel with facilities of the electric distribution
2 system;

3 (C) is intended primarily to offset the customer’s own electricity
4 requirements and does not primarily supply electricity to electric vehicle
5 supply equipment, as defined in section 201 of this title, for the resale of
6 electricity to the public by the kWh or for other retail sales to the public,
7 including those based in whole or in part on a flat fee per charging session or a
8 time-based fee for occupying a parking space while using electric vehicle
9 supply equipment; ~~and~~

10 (D)(i) employs a renewable energy source; or

11 (ii) is a qualified micro-combined heat and power system of 20 kW
12 or fewer that meets the definition of combined heat and power in subsection
13 8015(b) of this title and uses any fuel source that meets air quality standards;
14 and

15 (E) for systems that file a complete application for a certificate of
16 public good after January 1, 2025, generates energy through a single meter that
17 will be used on the same parcel as, or a parcel adjacent to, the parcel where the
18 plant is located. For purposes of this subsection (16), two parcels shall be
19 adjacent if they share a property boundary or are adjacent and separated only
20 by a river, stream, railroad line, private road, public highway, or similar
21 intervening landform.

1 (17) “New renewable energy” means renewable energy capable of
2 delivery in New England and produced by a specific and identifiable plant
3 coming into service on or after ~~June 30, 2015~~ January 1, 2010, but excluding
4 energy generated by a hydroelectric generation plant with a capacity of 200
5 MW or greater.

6 (A) Energy from within a system of generating plants that includes
7 renewable energy shall not constitute new renewable energy, regardless of
8 whether the system includes specific plants that came or come into service on
9 or after ~~June 30, 2015~~ January 1, 2010.

10 (B) Except as provided in 30 V.S.A. § 8005(c)(3), “New new
11 renewable energy” also ~~may~~ shall include:

12 (i) the additional energy from an existing renewable energy plant
13 retrofitted with advanced technologies or otherwise operated, modified, or
14 expanded to increase the kWh output of the plant in excess of an historical
15 baseline established by calculating the average output of that plant for the 10-
16 year period that ended ~~June 30, 2015~~ January 1, 2010. If the production of
17 new renewable energy through changes in operations, modification, or
18 expansion involves combustion of the resource, the system also must result in
19 an incrementally higher level of energy conversion efficiency or significantly
20 reduced emissions;

1 percent of area median income, adjusted for family size, in accordance with
2 federal standards generally accepted at the time of incorporation and
3 comparable to standards of the U.S. Department of Housing and Urban
4 Development existing on June 16, 1988.

5 * * *

6 (31) “Load” means the total amount of electricity utilized by a retail
7 electricity provider over a 12-month calendar year period, including its retail
8 electric sales, any use by the provider itself not included in retail sales, and
9 transmission and distribution line losses associated with and allocated to the
10 utility; provided, however, that prior to January 1, 2025, load means a
11 provider’s annual retail electric sales.

12 (32) “Load growth” means the increase above a baseline year in a retail
13 electricity provider’s load.

14 Sec. 3. 30 V.S.A. § 8003 is amended to read:

15 § 8003. RENEWABLE ENERGY PRICING

16 (a) An electric utility, municipal department formed under local charter or
17 chapter 79 of this title, or electric cooperative formed under chapter 81 of this
18 title may implement a renewable energy pricing program under this section for
19 its customers, or offer customers the option of making a voluntary contribution
20 to the Vermont Clean Energy Development Fund established under section
21 8015 of this title. Such renewable energy pricing programs may include

1 ~~tariffs, standard special contracts, or other arrangements whose purpose is to~~
2 ~~increase the company's reliance on, or the customer's support of, renewable~~
3 ~~sources of energy or the type and quantity of renewable energy resources~~
4 ~~available.~~

5 ~~(b) A standard special contract for renewable pricing that has been~~
6 ~~approved as to form and substance by the Commission under this section shall~~
7 ~~not require further approval by the Commission under section 229 of this title~~
8 ~~as to individual customers who choose to execute that contract.~~

9 ~~(c) Renewable pricing programs may be priced in the form of a premium~~
10 ~~relative to the tariff that would otherwise apply; provided the premium shall~~
11 ~~be cost based, shall reasonably reflect the difference between acquiring the~~
12 ~~renewable energy and the utility's alternative cost of power, including~~
13 ~~administrative costs, and shall be adjusted via such periodic adjustment~~
14 ~~mechanisms, including adjustment clauses, as the Commission shall approve~~
15 ~~as part of a renewable pricing program. Any renewable pricing program shall~~
16 ~~require that any costs of power in excess of the company's alternative cost of~~
17 ~~power shall be borne solely by those customers who elect to participate in the~~
18 ~~renewable pricing program.~~

19 ~~(d) Tradeable renewable energy credits (with or without other features),~~
20 ~~tradeable emissions credits, emission offsets, or other market instruments~~
21 ~~created or obtained by energy resources acquired pursuant to or as part of a~~

1 ~~renewable pricing program approved under this section shall be permanently~~
2 ~~retired by or on behalf of the program’s subscribers, and shall not be sold or~~
3 ~~otherwise disposed of. However, if a program is not fully subscribed, any such~~
4 ~~instruments created or obtained by the unsubscribed portion of the program~~
5 ~~may be sold or disposed of at no less than market value if the net proceeds of~~
6 ~~such sale or disposal are used to reduce the cost paid under the renewable~~
7 ~~pricing program.~~

8 ~~(e) The Commission shall ensure that disclosures and representations made~~
9 ~~regarding renewable pricing programs are accurate, are reasonably supported~~
10 ~~by objective data, disclose the types of technologies used, whether the energy~~
11 ~~is Vermont based or not, and clearly distinguish between energy or tradeable~~
12 ~~energy credits provided from renewable and nonrenewable sources, and~~
13 ~~existing and new sources.~~

14 ~~(f) [Repealed.]~~

15 ~~(g)(e) The Commission shall consider the following factors in deciding~~
16 ~~whether and upon what conditions to approve a proposed renewable energy~~
17 ~~pricing program:~~

18 ~~(1) minimization of marketing and administrative expenses;~~

19 ~~(2) auditing or certification of sources of energy or tradeable renewable~~
20 ~~energy credits;~~

21 ~~(3) marketing and promotion plans;~~

1 make an alternative compliance payment to satisfy its obligations under
2 subdivisions 8005(a)(1), 8005(a)(2), 8005(a)(4), and 8005(a)(5) of this title
3 shall directly contribute the payment to the development of renewable energy
4 plants within the provider’s service territory that are intended to serve and
5 benefit customers with low-income.

6 * * *

7 Sec. 5. 30 V.S.A. § 8005 is amended to read:

8 § 8005. RES CATEGORIES

9 (a) Categories. This section specifies ~~three~~ five categories of required
10 resources to meet the requirements of the RES established in section 8004 of
11 this title: total renewable energy, distributed renewable generation, ~~and~~ energy
12 transformation, new renewable energy, and load growth renewable energy.

13 The requirements contained in this section set forth the minimum statutory
14 requirements under the RES. In order to support progress toward Vermont’s
15 climate goals and requirements, a provider may, but shall not be required to,
16 exceed the statutorily required amounts under this section.

17 (1) Total renewable energy.

18 * * *

19 (B) Required amounts. The amounts of total renewable energy
20 required by this subsection shall be ~~55~~ 63 percent of each retail electricity
21 provider’s annual ~~retail electric sales~~ load during the year beginning on

1 January 1, ~~2017~~ 2025, increasing by at least an additional four percent each
2 third January 1 thereafter; until reaching ~~75~~ 100 percent;

3 (i) on and after January 1, ~~2032~~ 2035 for a retail electricity
4 provider who serves a single customer that takes service at 115 kilovolts and
5 each municipal retail electricity provider formed under local charter or chapter
6 79 of this title; and

7 (ii) on and after January 1, 2030, for all other retail electricity
8 providers.

9 (C) Relationship to other categories. Distributed renewable
10 generation used to meet the requirements of subdivision (2) of this subsection
11 (a), new renewable energy under subdivision (4) of this subsection, and load
12 growth renewable generation under subdivision (5) of this subsection shall also
13 count toward the requirements of this subdivision. However, an energy
14 transformation project under subdivision (3) of this subsection shall not count
15 toward the requirements of this subdivision.

16 (D) Municipal providers; petition. On petition by a provider that is a
17 municipal electric utility serving not more than ~~6,000~~ 7,000 customers, the
18 Commission may reduce the provider's required amount under this subdivision
19 (1) for a period of up to three years. The Commission may approve one such
20 period only for a municipal provider. The Commission may reduce this
21 required amount if it finds that:

1 * * *

2 (2) Distributed renewable generation.

3 * * *

4 (B) Definition. As used in this section, “distributed renewable
5 generation” means ~~one of the following~~:

6 (i) a renewable energy plant that is ~~new renewable energy~~; has a
7 plant capacity of five MW or less; and

8 (ii) is one of the following:

9 (I) new renewable energy;

10 (II) a hydroelectric renewable energy plant that is, on or before
11 January 1, 2024, owned and operated by a municipal electric utility formed
12 under local charter or chapter 79 of this title, as of January 1, 2020, including
13 future plant modifications that do not cause the capacity of such a plant to
14 exceed five MW; or

15 (III) a hydroelectric renewable energy plant that is, on or before
16 January 1, 2024, owned and operated by a retail electricity provider that is not
17 a municipal electric utility, provided such plant is and continues to be certified
18 by the Low Impact Hydropower Institute. **Plants owned by such utilities on or**
19 **before January 1, 2024, which are later certified by the Low Impact**
20 **Hydropower Institute, and continue to be certified shall be eligible under this**
21 **subdivision from the date of certification.** Any future modifications that do not

1 cause the capacity of such a plant to exceed five MW shall also be eligible
2 under this subdivision; and

3 (iii) is one of the following:

4 (I) is directly connected to the subtransmission or distribution
5 system of a Vermont retail electricity provider; or

6 (II) is directly connected to the transmission system of an
7 electric company required to submit a Transmission System Plan under
8 subsection 218c(d) of this title, if the plant is part of a plan approved by the
9 Commission to avoid or defer a transmission system improvement needed to
10 address a transmission system reliability deficiency identified and analyzed in
11 that Plan; or

12 ~~(ii)~~(III) is a net metering system approved under the former
13 section 219a or under section 8010 of this title if the system is new renewable
14 energy and the interconnecting retail electricity provider owns and retires the
15 system's environmental attributes.

16 (C) Required amounts. The required amounts of distributed
17 renewable generation shall be one percent of each retail electricity provider's
18 annual ~~retail electric sales~~ load during the year beginning January 1, 2017,
19 increasing by at least an additional three-fifths of a percent until January 1,
20 2025, then:

1 (i) increasing by at least an additional one and a half percent each
2 subsequent January 1 until reaching ~~40~~ 20 percent on and after January 1, 2035
3 for a retail electricity provider who serves a single customer that takes service
4 at 115 kilovolts and each municipal electric utility formed under local charter
5 or chapter 79 of this title; and

6 (ii) increasing by at least an additional two percent each
7 subsequent January 1 until reaching 20 percent on and after January 1, 2032
8 for all other retail electricity providers.

9 (D) Distributed generation greater than five MW. On petition of a
10 retail electricity provider, the Commission may for a given year allow the
11 provider to employ energy with environmental attributes attached or tradeable
12 renewable energy credits from a renewable energy plant with a plant capacity
13 greater than five MW to satisfy the distributed renewable generation
14 requirement if the plant would qualify as distributed renewable generation but
15 for its plant capacity ~~and~~ when the provider demonstrates either that:

16 (i) it is unable during ~~that~~ a given year to meet the requirement
17 solely with qualifying renewable energy plants of five MW or less. To
18 demonstrate this inability, the provider shall issue one or more requests for
19 proposals, and show that it is unable to obtain sufficient ownership of
20 environmental attributes to meet its required amount under this subdivision (2)
21 for that year from:

1 7,000 customers, the required amount shall be two percent of the provider's
2 ~~annual retail sales load~~ beginning on January 1, 2019, increasing by an
3 additional two-thirds of a percent each subsequent January 1 until reaching 10
4 and two-thirds percent on and after January 1, 2032. Prior to January 1, 2019,
5 such a municipal electric utility voluntarily may engage in one or more energy
6 transformation projects in accordance with this subdivision (3). In order to
7 support progress toward Vermont's climate goals and requirements, retail
8 electricity providers may, but shall not be required to, exceed the statutorily
9 required amounts, up to and including procuring all available energy
10 transformation category projects and measures. The Commission shall not
11 hold imprudent any retail electricity provider expenditure to support energy
12 transformation projects or measures, based on the expenditure being above and
13 beyond what is statutorily required, provided the projects and measures
14 otherwise comply with statute and Commission rules.

15 * * *

16 (4) New renewable energy.

17 (A) Purpose; establishment. This subdivision (4) establishes a new
18 regional renewable energy category for the RES. This category encourages the
19 use of new renewable generation to support the reliability of the regional ISO-
20 NE electric system. To satisfy this requirement, a provider shall use new
21 renewable energy with environmental attributes attached or any class of

1 tradeable renewable energy credits generated by any renewable energy plant
2 coming into service after January 1, 2010 whose energy is capable of delivery
3 in New England.

4 (B) Required amounts and exemption. A retail electricity provider
5 that is 100 percent renewable under subdivision (b)(1) of this section shall be
6 exempt from any requirement for new renewable energy under this
7 subdivision (4). For all other providers, the amount of new renewable energy
8 required by this subsection (a) shall be:

9 (i) For a retail electricity provider with 75,000 or more customers,
10 the following percentages of each provider's annual load:

11 (I) four percent beginning on January 1, 2027.

12 (II) 10 percent beginning on January 1, 2030.

13 (III) 15 percent on and after January 1, 2032.

14 (IV) 20 percent on and after January 1, 2035. If the

15 Commission determines in the report required under subdivision 8005b(b)(4)
16 of this title that it is reasonable to expect that there will be sufficient new
17 regional renewable resources available for a provider to meet its requirement
18 under this subdivision (4) at or below the alternative compliance payment rate
19 laid out in subdivision 8005(5)(iii) of this title during a year beginning prior to
20 January 1, 2035, the Commission shall require that provider to meet its
21 requirement under this subdivision (4) in the earliest year the Commission

1 determines it can, provided that the provider shall not be required to meet that
2 requirement prior to the year starting January 1, 2032.

3 (ii) For a retail electricity provider with less than 75,000
4 customers, the following percentages of each provider's annual load:

5 (I) five percent beginning on January 1, 2030; and

6 (II) 10 Percent on and after January 1, 2035.

7 (C) Relationship to other categories. Distributed renewable
8 generation used to meet the requirements of subdivision (2) of this subsection
9 (a) shall not also count toward the requirements of this subdivision (4). An
10 energy transformation project under subdivision (3) of this subsection (a) shall
11 not count toward the requirements of this subdivision (4).

12 (D) Single customer provider. If a retail electricity provider with one
13 customer taking service at 115 kilovolts has not satisfied the distributed
14 renewable generation requirements of subdivision (2) of this subsection (a) on
15 property owned or controlled by the customer as of January 1, 2024, and the
16 cost of additional distributed renewable generation would be at or above the
17 alternative compliance payment rate for the distributed renewable generation
18 category or meeting that requirement with new renewable energy on its
19 property would be economically infeasible, that provider may satisfy the
20 requirements of subdivision (2) of this subsection (a) with an equivalent
21 amount of increased new renewable energy as defined in this subdivision (4)

1 ~~provided that the cost of additional distributed renewable generation would be~~
2 ~~at or below the alternative compliance payment rate for the distributed~~
3 ~~renewable generation category or economically infeasible.~~

4 (5) Load growth; retail electricity providers; 100 percent renewable.

5 (A) For any retail electricity provider that is 100 percent renewable
6 under subdivision (b)(1) of this section that provider shall meet its load growth
7 above its 2024 calendar year load, with at least the following percentages of
8 new renewable energy or any renewable energy eligible under subdivision
9 (a)(2) of this subsection:

10 (i) 50 percent beginning on January 1, 2025;

11 (ii) 75 percent on and after January 1, 2026;

12 (iii) 90 percent on and after January 1, 2027;

13 (iv) 100 percent on and after January 1, 2028 until the provider's
14 annual load exceeds 135 percent of the provider's 2022 annual load, at which
15 point the provider shall meet its additional load growth with at least 50 percent
16 new renewable energy until 2035; and

17 (v) 75 percent on and after January 1, 2035.

18 (B) For a retail electricity provider with 75,000 or more customers,
19 and for each provider, excluding any provider that is 100 percent renewable
20 under subdivision (b)(1), that is a member of the Vermont Public Power
21 Supply Authority or its successor, that provider shall meet its load growth

1 above its 2035 calendar year load with 100 percent new renewable energy,
2 which shall include the required amounts of distributed renewable generation
3 as applicable to the provider under subdivision (2) of this subsection (a).

4 (C) On petition of a retail electricity provider subject to the load
5 growth requirements in subdivision (5)(A) of this subsection (a), the
6 Commission may for a given year allow the provider to employ existing
7 renewable energy with environmental attributes attached or tradeable
8 renewable energy credits from an existing renewable energy plant to satisfy
9 part or all of the load growth requirement if the provider demonstrates that,
10 after making every reasonable effort, it is unable during that year to meet the
11 requirement with energy with environmental attributes attached or tradeable
12 renewable energy credits from qualifying new renewable energy plants.

13 (i) To demonstrate this inability, the provider shall at a minimum
14 timely issue one or more subsequent requests for proposals or transactions and
15 any additional solicitations as necessary to show that it is unable to obtain
16 sufficient ownership of environmental attributes from new renewable energy to
17 meet its required amount under this subdivision at a cost that is less than or
18 equal to the applicable alternative compliance rate for the load growth
19 category.

20 (ii) In the event the provider is able to meet a portion, but not all,
21 of its load growth requirement in a calendar year with attributes from new

1 renewable energy at a cost that is less than or equal to the applicable
2 alternative compliance rate for the load growth category, the Commission shall
3 allow the provider to use existing renewables only for that portion of its
4 requirement that it is unable to meet with new renewable energy.

5 (iii) In the event that the provider is unable to meet its load growth
6 requirement with a combination of attributes from new renewable energy and
7 existing renewable energy at a cost that is less than or equal to the alternative
8 compliance rate laid out in subdivision (6) in this subsection (a), the
9 Commission shall require the provider to meet the remainder of its requirement
10 under this subdivision by paying the alternative compliance rate for the load
11 growth category.

12 (6) Alternative compliance rates.

13 (A) The alternative compliance payment rates for the categories
14 established by subdivisions (1)–(3) of this subsection (a) shall be:

15 (i) total renewable energy requirement — \$0.01 per kWh; and

16 (ii) distributed renewable generation and energy transformation
17 requirements — \$0.06 per kWh.

18 (B) The set by the Commission, which shall adjust these rates for
19 inflation annually commencing January 1, 2018, using the CPI.

1 (B) For the new renewable energy and load growth requirements, it
2 shall be \$0.04 per kWh annually commencing on January 1, 2025, with
3 calculations for inflation beginning on January 1, 2023.

4 (C) The Commission shall have the authority to adjust the alternative
5 compliance payment rate for the new renewable energy and load growth
6 requirements differently than the rate of inflation in order to minimize
7 discrepancies between this rate and alternative compliance payments for
8 similar classes in other New England states and to increase the likelihood that
9 Vermont retail electricity providers cost-effectively achieve these
10 requirements, if it determines doing so is consistent with State energy policy
11 under section 202a of this title.

12 (b) Reduced amounts; providers; 100 percent renewable.

13 (1) The provisions of this subsection shall apply to a retail electricity
14 provider that:

15 (A) as of January 1, 2015, was entitled, through contract, ownership
16 of energy produced by its own generation plants, or both, to an amount of
17 renewable energy equal to or more than 100 percent of its anticipated total
18 ~~retail electric sales~~ load in 2017, regardless of whether the provider owned the
19 environmental attributes of that renewable energy; and

20 (B) annually each July 1 commencing in 2018, owns and has retired
21 tradeable renewable energy credits monitored and traded on the New England

1 Generation Information System or otherwise approved by the Commission
2 equivalent to 100 percent of the provider's ~~total retail sales~~ load of electricity
3 for the previous calendar year.

4 * * *

5 (c) Biomass.

6 (1) Distributed renewable generation that employs biomass to produce
7 electricity shall be eligible to count toward a provider's distributed renewable
8 generation or energy transformation requirement only if the plant satisfies the
9 requirements of subdivision (3) of this subsection and produces both electricity
10 and thermal energy from the same biomass fuel and the majority of the energy
11 recovered from the plant is thermal energy.

12 (2) Distributed renewable generation and energy transformation projects
13 that employ forest biomass to produce energy shall comply with renewability
14 standards adopted by the Commissioner of Forests, Parks and Recreation under
15 10 V.S.A. § 2751. Energy transformation projects that use wood feedstock,
16 except for noncommercial applications, that are eligible at the time of project
17 commissioning to meet the renewability standards adopted by the
18 Commissioner of Forests, Parks and Recreation do not lose eligibility due to a
19 subsequent change in the renewability standards after the project
20 commissioning date.

1 (3) No new wood biomass electricity generation facility or wood
2 biomass combined heat and power facility coming into service after January 1,
3 2023, shall be eligible to satisfy any requirements of this section and section
4 8004 of this title unless that facility achieves 60 percent overall efficiency and
5 at least a 50 percent net lifecycle greenhouse gas emissions reduction relative
6 to the lifecycle emissions from the combined operation of a new combined-
7 cycle natural gas plant using the most efficient commercially available
8 technology. Any energy generation using wood feedstock from an existing
9 wood biomass electric generation facility placed in service prior to January 1,
10 2023, remains eligible to satisfy any requirements of this section and section
11 8004 of this title. Changes to wood biomass electric facilities that were placed
12 in service prior to January 1, 2023, including converting to a combined heat
13 and power facility, adding or modifying a district energy system, replacing
14 electric generation equipment, or repowering the facility with updated or
15 different electric generation technologies, do not change the in service date for
16 the facility, or affect its eligibility to satisfy the requirements of this section
17 and section 8004 of this title, or qualify it as new renewable energy.

18 (d) Hydropower. A hydroelectric renewable energy plant shall be eligible
19 to satisfy the distributed renewable generation or energy transformation
20 requirement only if, in addition to meeting the definition of distributed
21 renewable generation, the plant:

1 (2) Projections, looking at least 10 years ahead, of the impacts of the
2 RES.

3 (A) The Department shall employ an economic model to make these
4 projections, to be known as the Consolidated RES Model, and shall consider at
5 least three scenarios based on high, mid-range, and low energy price forecasts.

6 (B) The Department shall make the model and associated documents
7 available on the Department’s website.

8 (C) In preparing these projections, the Department shall:

9 (i) characterize each of the model’s assumptions according to level
10 of certainty, with the levels being high, medium, and low; and

11 (ii) provide an opportunity for public comment.

12 (D) The Department shall project, for the State, the impact of the
13 RES in each of the following areas: electric utility rates; total energy
14 consumption; electric energy consumption; fossil fuel consumption; and
15 greenhouse gas emissions. The report shall compare the amount or level in
16 each of these areas with and without the program.

17 (3) An assessment of whether the requirements of the RES have been
18 met to date, and any recommended changes needed to achieve those
19 requirements.

20 (4) The annual report due in 2029 under this subsection (b) shall be
21 prepared in consultation with and issued jointly with the Commission as part of

1 a proceeding before the Commission with opportunities for participation by the
2 retail electricity providers, Vermont Public Power Supply Authority,
3 Renewable Energy Vermont, and other members of the public. In addition to
4 the information considered in subdivisions (1) through (3) of this subsection,
5 this component of the annual report shall also consider whether it is reasonable
6 to expect that there will be sufficient new regional renewable resources
7 available for a retail electricity provider with 75,000 or more customers to
8 meet its requirement under subdivision 8005(4)(B)(i)(III) of this title at or
9 below the alternative compliance payment rate for the new renewable
10 generation category of section 8005 of this title during the year beginning on
11 January 1, 2032, or during the years beginning on January 1, 2033 or January
12 1, 2034. The Commission shall not be required to issue this report in a
13 contested case under 3 V.S.A. chapter 25. Notwithstanding the timeline
14 specified in 30 V.S.A. 202b (e)(1), the Commission shall file this annual report
15 on or before December 15, 2028.

16 * * *

17 Sec. 7. 30 V.S.A. § 8006a is amended to read:

18 § 8006a. GREENHOUSE GAS REDUCTION CREDITS

19 (a) Standard offer adjustment. In accordance with this section, greenhouse
20 gas reduction credits generated by an eligible ratepayer shall result in an
21 adjustment of the standard offer under subdivision 8005a(c)(1) of this title

1 (cumulative capacity; pace) or may be utilized by a retail electricity provider
2 that serves a single customer that takes service at 115 kilovolts to meet the
3 energy transformation requirements under subdivision 8005(a)(3)(D) of this
4 title. For the purpose of adjusting the standard offer under subdivision
5 8005a(c)(1) of this title or energy transformation requirements under
6 subdivision 8005(a)(3)(D) of this title, the amount of a year’s greenhouse gas
7 reduction credits shall be the lesser of the following:

8 (1) The amount of greenhouse gas reduction credits created by ~~the~~ an
9 eligible ratepayers ratepayer served by all providers an eligible provider.

10 (2) The ~~providers’~~ eligible provider’s annual ~~retail electric sales load~~
11 during that year to those eligible ratepayers creating greenhouse gas reduction
12 credits.

13 (b) Definitions. ~~As~~ As used in this section:

14 (1) “Eligible ratepayer” means a customer of a Vermont retail electricity
15 provider who takes service at 115 kilovolts and has demonstrated to the
16 Commission that it has a comprehensive energy and environmental
17 management program. Provision of the customer’s certification issued under
18 standard 14001 (environmental management systems) of the International
19 Organization for Standardization (ISO) shall constitute such a demonstration.

20 (2) “Eligible provider” means a Vermont retail electricity provider who
21 serves a single customer that takes service at 115 kilovolts.

1 (3) “Eligible reduction” means a reduction in non-energy-related
2 greenhouse gas emissions from manufacturing processes at an in-state facility
3 of an eligible ratepayer, provided that each of the following applies:

4 (A) The reduction results from a specific project undertaken by the
5 eligible ratepayer at the in-state facility after January 1, ~~2012~~ 2023.

6 (B) The specific project reduces or avoids greenhouse gas emissions
7 above and beyond any reductions of such emissions required by federal and
8 State statutes and rules.

9 (C) The reductions are quantifiable and verified by an independent
10 third party as approved by the Agency of Natural Resources and the
11 Commission. Such independent third parties shall be certified by a body
12 accredited by the American National Standards Institute (ANSI) as having a
13 certification program that meets the ISO standards applicable to verification
14 and validation of greenhouse gas assertions. The independent third party shall
15 use methodologies specified under 40 C.F.R. part 98 and U.S. Environmental
16 Protection Agency greenhouse gas emissions factors and global warming
17 potential figures to quantify and verify reductions in all cases where those
18 factors and figures are available.

19 ~~(3)~~(4) “Greenhouse gas” ~~shall be as defined under~~ has the same meaning
20 as in 10 V.S.A. § 552.

1 ~~(4)~~(5) “Greenhouse gas reduction credit” means a credit for eligible
2 reductions, calculated in accordance with subsection (c) of this section and
3 expressed as a ~~kWh~~ credit eligible under subdivision 8005a(c)(1) of this title,
4 or as a credit eligible under subdivision 8005(a)(3)(D) of this title.

5 (c) Calculation. Greenhouse gas reduction credits shall be calculated as
6 follows:

7 (1) Eligible reductions shall be quantified in metric tons of CO₂
8 equivalent, in accordance with the methodologies specified under 40 C.F.R.
9 part 98, and using U.S. Environmental Protection Agency greenhouse gas
10 emissions factors and global warming potential figures, and may shall be
11 counted annually for the life of the specific project that resulted in the
12 reduction. A project that converts a gas with a high global warming potential
13 into a gas with relatively lower global warming potential shall be eligible if the
14 conversion produces a CO₂ equivalent reduction on an annual basis.

15 (2) Metric tons of CO₂ equivalent quantified under subdivision (1) of
16 this subsection shall be converted into units of energy through calculation of
17 the equivalent number of kWh of generation by renewable energy plants, other
18 than biomass, that would be required to achieve the same level of greenhouse
19 gas emission reduction through the displacement of market power purchases.
20 For the purpose of this subdivision, the value of the avoided greenhouse gas
21 emissions shall be based on the aggregate greenhouse gas emission

1 characteristics of system power in the regional transmission area overseen by
2 the Independent System Operator of New England (ISO-NE).

3 (d) Reporting. An eligible ~~ratepayer~~ provider shall report to the
4 Commission annually on each specific project undertaken by an eligible
5 ratepayer to create eligible reductions. The Commission shall specify the
6 required contents of such reports, which shall be publicly available.

7 ~~(e) Savings. A provider shall pass on savings that it realizes through~~
8 ~~greenhouse gas reduction credits proportionally to the eligible ratepayers~~
9 ~~generating the credits.~~

10 Sec. 8. 30 V.S.A. § 8010 is amended to read:

11 § 8010. SELF-GENERATION AND NET METERING

12 * * *

13 (c) In accordance with this section, the Commission shall adopt and
14 implement rules that govern the installation and operation of net metering
15 systems.

16 (1) The rules shall establish and maintain a net metering program that:

17 * * *

18 (H) allows a customer to retain ownership of the environmental
19 attributes of energy generated by the customer’s net metering system and of
20 any associated tradeable renewable energy credits or to transfer those attributes
21 and credits to the interconnecting retail provider, and:

1 (i) if the customer retains the attributes, reduces the value of the
2 credit provided under this section for electricity generated by the customer’s
3 net metering system by an appropriate amount; ~~and~~

4 (ii) if the customer transfers the attributes to the interconnecting
5 provider, requires the provider to retain them for application toward
6 compliance with sections 8004 and 8005 of this title unless the provider has
7 fewer than 75,000 customers, in which case the attributes do not need to be
8 applied toward compliance obligations under sections 8004 and 8005 of this
9 title, and

10 (iii) if a retail electricity provider that is 100 percent renewable
11 under section 8005(c)(1) of this title does not retire the transferred attributes
12 under sections 8004 and 8005 of this title, requires that the provider apply an
13 equivalent amount of attributes from distributed renewable generation that
14 qualifies under section 8005(a)(2)(B)(i)(I) of this title toward its compliance
15 obligations under section 8004 and 8005 of this title.

16 (2) The rules shall include provisions that govern:

17 * * *

18 (F) the amount of the credit to be assigned to each kWh of electricity
19 generated by a net metering customer in excess of the electricity supplied by
20 the interconnecting provider to the customer, the manner in which the
21 customer’s credit will be applied on the customer’s bill, and the period during

1 which a net metering customer must use the credit, after which the credit shall
2 revert to the interconnecting provider.

3 (i) ~~When assigning an amount of credit under this subdivision (F),~~
4 ~~the Commission shall consider making multiple lengths of time available over~~
5 ~~which a customer may take a credit and differentiating the amount according to~~
6 ~~the length of time chosen. For example, a monthly credit amount may be~~
7 ~~higher if taken over 10 years and lower if taken over 20 years. Factors relevant~~
8 ~~to this consideration shall include the customer’s ability to finance the net~~
9 ~~metering system, the cost of that financing, and the net present value to all~~
10 ~~ratepayers of the net metering program. [Repealed.]~~

11 (ii) ~~In~~ As used in this subdivision (ii), “existing net metering
12 system” means a net metering system for which a complete application was
13 filed before January 1, 2017.

14 (I) Commencing 10 years from the date on which an existing
15 net metering system was installed, the Commission may apply to the system
16 the same rules governing bill credits and the use of those credits on the
17 customer’s bill that it applies to net metering systems for which applications
18 were filed on or after January 1, 2017, other than any adjustments related to
19 siting and tradeable renewable energy credits.

20 (II) A provider with fewer than 75,000 customers may apply
21 the environmental attributes of energy generated by existing net metering

1 systems, that are less than 150 kW, to the provider’s statutory requirements
2 under this section if the retail provider has not been informed that the
3 environmental attributes have been sold or otherwise retired. A provider with
4 fewer than 75,000 customers may apply the environmental attributes of energy
5 generated by existing net metering systems that are 150 kW or greater to the
6 provider’s statutory requirements under this section if the provider
7 demonstrates to the Commission the environmental attributes have not been
8 sold or otherwise retired.

9 (III) This subdivision (ii) shall apply to existing net metering
10 systems notwithstanding any contrary provision of 1 V.S.A. § 214 and 2014
11 Acts and Resolves No. 99, Sec. 10.

12 * * *

13 **Sec. X. REPORT**

14 On or before January 15, 2025, the Public Utility Commission, the
15 Department of Public Service, the Vermont Housing Finance Agency,
16 Vermont Housing and Conservation Board, Evernorth, Green Mountain Power,
17 Vermont Electric Cooperative, the Vermont Public Power Supply Authority,
18 and any other electric utilities that wish to participate shall submit a report to
19 the House Committee on Environment and Energy and the Senate Committee
20 on Natural Resources and Energy. This report will:

- 1 (1) Discuss current programs utilities have in place to serve income-
2 eligible customers;
- 3 (2) Discuss progress affordable housing funders and developers have
4 made to date in connecting projects with solar resources, as well as barriers;
- 5 (3) List funding sources available for solar and other energy-related
6 projects benefiting affordable housing and households with low-income,
7 including if it is federal or time-limited; and
- 8 (4) Outline comparable successor programs to group net-metering for
9 connecting affordable housing developments and income-eligible residents of
10 manufactured home communities with solar projects to reduce operating costs,
11 reduce resident energy burdens and encourage electrification and
12 decarbonization of buildings. Programs that will meet the intent of this section
13 shall include the following:
- 14 (A) a process to bring online additional solar or other renewable
15 energy projects, which could be owned by affordable housing developers; and
- 16 (B) a process to enroll eligible customers, including property owners
17 of qualified rental units. If connecting directly to customers, a bill credit
18 process to allocate a customer’s kWh solar share on a monthly basis.

19 Sec. 9. EFFECTIVE DATE

20 This act shall take effect on July 1, 2024.
21

1

2

3 (Committee vote: _____)

4

5

Representative _____

6

FOR THE COMMITTEE