Vermont Public Power Supply Authority

Response to Committee Question on Municipal Hydro

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House Energy & Environment Committee

H. 289 Draft

List of VPPSA Hydro Facilities

January 25, 2024

Chair Sheldon and Committee members,

Thank you for the opportunity to provide further details on VPPSA Member hydroelectric facilities and the requested hydroelectric language clarification VPPSA has been working with several RESWG working group members to propose as a clarification to H.289.

Framing

I would first like to note that all of the VPPSA hydro facilities already qualify as renewable energy in the RES. They just qualify toward "Total Renewable Energy" under Tier 1.

The change we are requesting would not have any affect on their qualification as renewable energy under the RES, and it would not change their underlying regulatory/permitting regime in any way. It would merely recognize that they are in fact **local, renewable, distributed generation** that support the local distribution grid.

The change would open the ability to use that generation to meet the distributed generation requirement under Tier 2 in addition to Tier 1. In turn that would bring addition economic value to the facilities that would allow for greater investment and provide an incentive to continue investing in facility improvements.

The committee should also be aware that this modification to the treatment of municipally owned hydro facilities was the key compromise point that allowed VPPSA to support the increase to 20% distributed generation requirement in H.289. The change in treatment would allow VPPSA to restructure its RES compliance to minimize the resulting rate pressures on municipal customers. Without it we do not see the increase in distributed generation to be in our member utilities' best interest or affordable for municipal customers.

Data

To answer the specific question the committee posed regarding which facilities have FERC licenses and which are LiHi certified, please find a table with the details below.

Barton Hydro is the only municipally owned hydro that is presently LiHi certified.

Lyndonville just completed its FERC licensing in the past 2-years and has a new license in place. Their Vail hydro facility already qualifies as distributed generation under Tier 2 due to some recent upgrades.

As the committee may be aware, Morrisville has been in the process for nearly a decade and has draft 401 certifications for its plants that are under litigation due to the significant effects implementation would have on the plants' operations and economics.

Enosburg and Swanton are in the middle of the relicensing process and since they are both on the Missisquoi River they are coordinating efforts as much as possible.

Hardwick's Wolcott Hydro plant is the only municipally owned hydro facility that does not require FERC licensing.

Municipality	Hydro Facility	Size	Holds FERC License	Renewal in Process	Holds LiHi Qualification
Barton	Barton Hydro	1,400 kW	X		X
Enosburg Falls	Enosburg Falls Village Plant #1	600 kW	X	X	
Enosburg Falls	Enosburg Falls Kendall Plant	375 kW	X	X	
Hardwick	Wolcott Hydro	815 kW			
Lyndonville	Great Falls & Vail Hydro	2,400 kW [1,2,3]	X		
Morrisville	HK Sanders Hydro	1,800 kW	X	X	
Morrisville	Cady's Falls Hydro	1,400 kW	X	X	
Morrisville	Plant #2 Hydro	1,800 kW	X	X	
Swanton	Orman Croft Hydro	11,392 kW [4]	X	X	

1) Vail and Great Falls are two separate plants but share a single meter point

2) Due to recent investments Vail already qualifies as distributed generation (Tier 2)

3) The FERC License for Vail and Great Falls was recently renewed with ANR 401 certification issued November 22, 2019

4) The Orman Croft Facility would not qualify under the requested revision

Requested Adjustment to H.289

We are requesting that the Hydro language beginning on Page 24 line 18 of H. 289 Draft 2.1 be revised to read (proposed revisions in red):

> (d) Hydropower. A hydroelectric renewable energy plant**, that is not owned by a retail electric provider,** shall be eligible to satisfy the distributed renewable generation or energy transformation requirement only if, in addition to meeting the definition of distributed renewable generation, the plant:
>
> (1) is and continues to be certified by the Low-impact Hydropower Institute; or
>
> (2) after January 1, 1987, received a water quality certification pursuant to 33 U.S.C. § 1341 from the Agency of Natural Resources.

Thank you for the opportunity to provide further details.