

Introduced by Committee on Natural Resources and Energy

Date:

Subject: Public service; energy; renewable energy programs; Renewable  
Energy Standard

Statement of purpose of bill as introduced: This bill proposes to increase the amount of total renewable energy required pursuant to the Renewable Energy Standard and to require a report on the costs of requiring a higher percentage of distributed renewable generation.

An act relating to the Renewable Energy Standard

It is hereby enacted by the General Assembly of the State of Vermont:

Sec. 1. 30 V.S.A. § 8005 is amended to read:

§ 8005. RES CATEGORIES

(a) Categories. This section specifies three categories of required resources to meet the requirements of the RES established in section 8004 of this title: total renewable energy, distributed renewable generation, and energy transformation.

(1) Total renewable energy.

\* \* \*

(B) Required amounts. The amounts of total renewable energy

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required by this subsection shall be ~~55~~ 62 percent of each retail electricity provider's annual retail electric sales during the year beginning on January 1, ~~2017~~ 2024, increasing by an additional ~~four~~ 9.5 percent each ~~third~~ second January 1 thereafter, until reaching ~~75~~ 100 percent on and after January 1, 2032.

\* \* \*

~~(E) Procurement. The Commission is authorized to align existing procurement programs and establish one or more new procurement programs for distributed generation that meets the criteria established in subdivision 8010(c)(1) of this title.~~

\* \* \*

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

§ 8002. DEFINITIONS

As used in this chapter:

\* \* \*

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

(A) is of ~~no~~ not more than 150 kW capacity, unless the customer demonstrates that the customer's usage will exceed 150 kW, then it shall be not more than 500 kW capacity;

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

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

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

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

\* \* \*

Sec. 3. ANALYSIS CONCERNING INCREASING DISTRIBUTED  
RENEWABLE GENERATION AND REPORT

(a) On or before August 15, 2023, the ~~Joint Fiscal Office Public Utility~~ Commission shall issue a request for proposal (RFP) to analyze the costs, advantages and disadvantages, and impacts of increasing the amount of distributed renewable generation required pursuant to 30 V.S.A. § 8005(a)(2)(C) to 20 percent or greater on and after January 1, 2032; ~~or~~ ~~(2) 30 percent on and after January 1, 2032.~~

(b)(1) The analysis shall include a full life cycle summary of progress to-

date for carbon emissions reductions attributed to Vermont under 30 V.S.A. § 8005(a)(2), as well as an analysis of the costs and benefits of these levels of generation, including an examination of the potential value of such generation when designed in combination with other strategies to increase the value through measures such as:

- (A) generation collocated with sufficient load to consume the majority of the energy produced;
- (B) generation that includes energy storage resources independent of control of the interconnected distribution utility and
- (C) generation that includes energy storage resources under the control of the interconnected distribution utility.

(2) The analysis shall also address additional positive or negative impacts including:

- (A) increased revenues to the host municipality and State, including revenues from grand list growth; and
- (B) increased revenues to the State due to job creation net impacts on job creation, including growth in renewable industries and any job creation impacts on other industries due to changes in costs of electricity, and any changes in revenues to the State due to net job creation; .
- (C) changes to electric retail rates due to the overall cost of different types of distributed generation compared to each other and other available resources, and impact on customer economics for electric vehicles and heat pumps due to changes in electric retail rates;

- (D) grid upgrade expenses associated with increased distributed generation and their effect whether paid by developers, utilities, or electric consumers on both electric rates and the ability to manage increased loads from Vermont’s electrification efforts in support of decarbonization;
  - (E) how the renewable energy standard benefits or disadvantages historically disadvantaged communities and low- and moderate-income customers; and
  - (F) the effectiveness of the required additional distributed renewable generation at reducing the carbon intensity of Vermont’s electricity supply and reducing Vermont’s needs to purchase energy from the regional wholesale electricity market, and the relative cost-benefit of requiring additional distributed renewable generation compared to regional renewable generation.
- (3) The report will consider the need for proposals to modifications to procurement programs such as net metering and Standard Offer, as well as consider establishing one or more new procurement programs for distributed generation that meets the criteria established in subdivision 8010(c)(1) of this title, along with any recommendations to modify the definition of distributed generation in that subsection for purposes of compliance with the Renewable Energy Standard.
- (c) The ~~Joint Fiscal Office~~ Public Utility Commission shall contract with an independent third party to conduct the analysis described in this section. The independent third party shall consult with the relevant stakeholders and shall have the cooperation of the Department of Public Service and the ~~Public~~

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Utility Commission Joint Fiscal Office.

(d) On or before January 14, 2024, the analysis and recommendations shall be reported to the House Committee on Environment and Energy and the Senate Committees on Natural Resources and Energy and on Finance.

(e) In fiscal year 2024, the amount of \$25,000.00 in general funds is appropriated to the Joint Fiscal Office Public Utility Commission for the report described in this section.

#### Sec. 4. EFFECTIVE DATE

This act shall take effect on July 1, 2023.