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S.57

Introduced by Senators Watson, Bongartz, Lyons and White

Referred to Committee on

Date:

Subject: Public service; energy; renewable energy; solar energy; Standard
Offer Program

Statement of purpose of bill as introduced: This bill proposes to reauthorize
the Standard Offer Program to award contracts for the construction of new
renewable energy generation projects.

An act relating to the Standard Offer Program

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

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

§ 8005a. STANDARD OFFER PROGRAM

* * *

(b) Eligibility. To be eligible for a standard offer under this section, a plant
must constitute a qualifying small power production facility under 16 U.S.C.
§ 796(17)(C) and 18 C.F.R. part 292, must not be a net metering system under
section ~~219a~~ 8010 of this title, and must be a new standard offer plant. In this
section, “new standard offer plant” means a renewable energy plant that is

1 located in Vermont, that has a plant capacity of 2.2 MW or less, and that is
2 commissioned on or after September 30, 2009.

3 (c) Cumulative capacity. In accordance with this subsection, the
4 Commission shall issue standard offers to new standard offer plants until a
5 cumulative plant capacity amount of ~~127.5~~ 227.5 MW is reached.

6 (1) Pace. Annually commencing April 1, 2013, the Commission shall
7 increase the cumulative plant capacity of the Standard Offer Program (the
8 annual increase) until the ~~127.5-MW~~ 227.5-MW cumulative plant capacity of
9 this subsection is reached.

10 (A) Annual amounts. The amount of the annual increase shall be five
11 MW for the three years commencing April 1, 2013, 7.5 MW for the three years
12 commencing April 1, 2016, ~~and~~ 10 MW commencing April 1, 2019, and then
13 20 MW commencing April 1, 2026.

14 (B) ~~Blocks. Each year, a portion of the annual increase shall be~~
15 ~~reserved for new standard offer plants proposed by Vermont retail electricity~~
16 ~~providers (the provider block), and the remainder shall be reserved for new~~
17 ~~standard offer plants proposed by persons who are not providers (the~~
18 ~~independent developer block).~~

19 (i) ~~The portion of the annual increase reserved for the provider~~
20 ~~block shall be 10 percent for the three years commencing April 1, 2013, 15~~

1 percent for the three years commencing April 1, 2016, and 20 percent
2 commencing April 1, 2019.

3 (ii) ~~If the provider block for a given year is not fully subscribed,~~
4 ~~any unsubscribed capacity within that block shall be added to the annual~~
5 ~~increase for each following year until that capacity is subscribed and shall be~~
6 ~~made available to new standard offer plants proposed by persons who are not~~
7 ~~providers.~~

8 (iii) ~~If the independent developer block for a given year is not fully~~
9 ~~subscribed, any unsubscribed capacity within that block shall be added to the~~
10 ~~annual increase for each following year until that capacity is subscribed and:~~

11 (I) ~~shall be made available to new standard offer plants~~
12 ~~proposed by persons who are not providers; and~~

13 (II) ~~may be made available to a provider following a written~~
14 ~~request and specific proposal submitted to and approved by the Commission.~~

15 [Repealed.]

16 (C) Adjustment; greenhouse gas reduction credits. The Commission
17 shall adjust the annual increase to account for greenhouse gas reduction credits
18 by multiplying the annual increase by one minus the ratio of the prior year's
19 greenhouse gas reduction credits to that year's statewide retail electric sales.

1 (i) The amount of the prior year's greenhouse gas reduction
2 credits shall be determined in accordance with ~~subdivision~~ subsection 8006a(a)
3 of this title.

4 (ii) The adjustment in the annual increase shall be applied
5 proportionally to the independent developer block and the provider block.

6 (iii) Greenhouse gas reduction credits used to diminish a
7 provider's obligation under section 8004 of this title may be used to adjust the
8 annual increase under this subsection (c).

9 * * *

10 (d) Plants outside cumulative capacity. The following categories of plants
11 shall not count toward the cumulative capacity amount of subsection (c) of this
12 section, and the Commission shall make standard offers available to them
13 provided that they are otherwise eligible for such offers under this section:

14 (1) Plants using methane derived from an agricultural operation.

15 (2) New standard offer plants that the Commission determines will have
16 sufficient benefits to the operation and management of the electric grid or a
17 provider's portion thereof because of their design, characteristics, location, or
18 any other discernible benefit. To enhance the ability of new standard offer
19 plants to mitigate transmission and distribution constraints, the Commission
20 shall require Vermont retail electricity providers and companies that own or
21 operate electric transmission facilities within the State to make sufficient

1 information concerning these constraints available to developers who propose
2 new standard offer plants.

3 (A) By March 1, 2013, the Commission shall develop a screening
4 framework or guidelines that will provide developers with adequate
5 information regarding constrained areas in which generation having particular
6 characteristics is reasonably likely to provide sufficient benefit to allow the
7 generation to qualify for eligibility under this subdivision (2).

8 (B) Once the Commission develops the screening framework or
9 guidelines under subdivision (2)(A) of this subsection (d), the Commission
10 shall require Vermont transmission and retail electricity providers to make the
11 necessary information publicly available in a timely manner, with updates at
12 least annually.

13 (C) Nothing in this subdivision (2) shall require the disclosure of
14 information in contravention of federal law.

15 (e) Term. The term of a standard offer required by this section shall be 10
16 to 20 years, except that the term of a standard offer for a plant using solar
17 power shall be 10 to 25 years.

18 (f) Price. The categories of renewable energy for which the Commission
19 shall set standard offer prices shall include at least each of the categories
20 established pursuant to subdivision (c)(2) of this section. The Commission by
21 order shall determine and set the price paid to a plant owner for each kWh

1 generated under a standard offer required by this section, with a goal of
2 ensuring timely development at the lowest feasible cost. The Commission
3 shall not be required to make this determination as a contested case under
4 3 V.S.A. chapter 25.

5 * * *

6 (3) Price determinations. The Commission shall take all actions
7 necessary to determine the pricing mechanism and implement the pricing
8 requirements of this subsection (f) ~~no later than~~ on or before March 1, 2013 for
9 effect on April 1, 2013. Annually thereafter, the Commission shall review the
10 determinations previously made under this subsection to decide whether they
11 should be modified in any respect in order to achieve the goal and
12 requirements of this subsection. Any such modification shall be effective on a
13 prospective basis commencing one month after it has been made. Once a
14 pricing determination made or modified under this subsection goes into effect,
15 subsequently executed standard offer contracts shall comply with the most
16 recently effective determination.

17 * * *

18 (g) Qualifying existing agricultural plants. Notwithstanding any other
19 provision of this section, on and after June 8, 2010, a standard offer shall be
20 available for a qualifying existing plant as defined in ~~Sec. 3 of No. 159 of the~~
21 ~~Acts of the 2009 Adj. Sess. (2010) (Act 159)~~ 2010 Acts and Resolves No. 159,

1 Sec. 3. The provisions of subdivision 8005(b)(2) of this title, as they existed
2 on June 4, 2010, the effective date of ~~Act 159~~ 2010 Acts and Resolves
3 No. 159, shall govern a standard offer under this subsection. Standard offers
4 for these plants shall not be subject to subsection (c) of this section (cumulative
5 capacity; new standard offer plants).

6 * * *

7 (s) Solar only allocations.

8 (1) Notwithstanding other provisions of this section to the contrary,
9 beginning on April 1, 2026, the Commission shall allocate the new standard
10 offer awards to new solar, wind, and hydroelectric power plants only. Of the
11 annual capacity awards under this subsection (s), two MW shall be allocated to
12 community solar projects.

13 (2) As used in this section, “community solar project” means a solar
14 plant owned by its members or an entity controlled by its members.

15 (3) The Commission shall establish a price cap on projects equal to the
16 price of the highest-cost, similarly sized solar project from the Standard Offer
17 Program from the preceding 12 months.

18 (4) If the annual allocation for community solar is not fully subscribed,
19 the Commission shall allocate the unsubscribed capacity to new standard offer
20 plants other than community solar.

- 1 Sec. 2. EFFECTIVE DATE
- 2 This act shall take effect on passage.