



February 14, 2025

Representative Kathleen James, Chair
House Energy and Digital Infrastructure Committee

Re: Responding to Testimony Provided by the Public Service Department Regarding the Costs and Benefits of Vermont’s Amended Renewable Energy Standard.

Dear Chair James:

I wanted to share some information with you and your committee to contextualize the testimony provided by the Department of Public Service (“DPS”) via Mr. T.J. Poor (Director of Regulated Utility Planning) on Wednesday, February 12, 2025, discussing the costs and benefits of Vermont’s recently amended Renewable Energy Standard (“RES”).

In that testimony, Mr. Poor illustrated the costs and benefits of various RES reform scenarios as estimated by the Department’s SEA model on two slides. He accurately stated that none of the scenarios he was showing (on the Incremental, RIM scenario slide) modeled the renewable energy requirements of the 2024 RES reform bill (H.289).

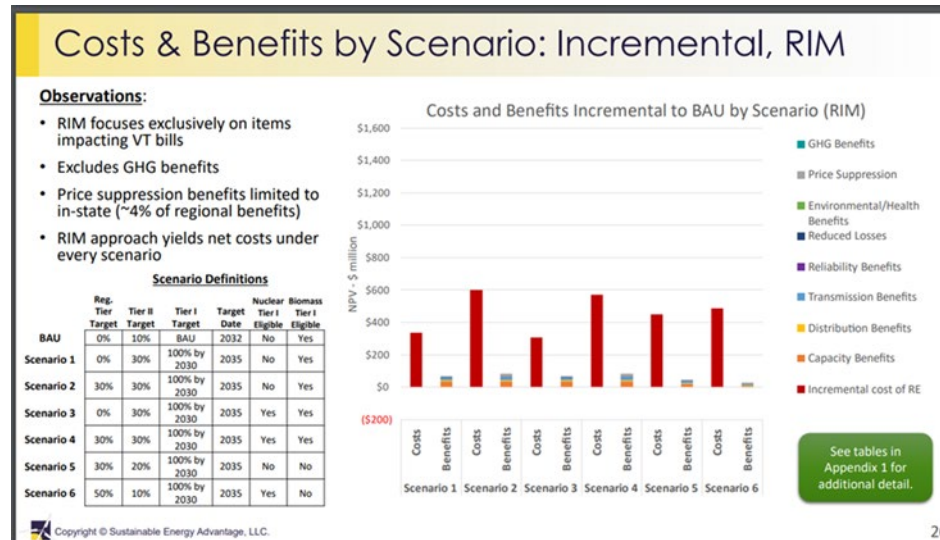
While the PSD never modeled the specific requirements of H.289, both the Joint Fiscal Office (“JFO”) and Renewable Energy Vermont (“REV”) *did* modify the SEA model to reflect the many cost containment mechanisms it included. Thus, Scenario 5 on slide 20 (below), which Mr. Poor highlighted in his testimony, does not include the cost containment mechanisms contained in H.289. Those cost containment provisions include:

- Lower new regional renewables requirements (30 V.S.A. § 8005(a)(4)(B)(i)(IV) changing the 30% requirement to 20%);
- Slower, utility-specific, ramp rates for new renewables (30 V.S.A. § 8005(a)(4)(B)(i));
- Inclusion of select utility-owned hydropower as new in-state renewables (30 V.S.A. § 8005(a)(2)(B)(ii)(II-III)); and
- The ability of some utilities to reduce their REC requirements by counting net metering 1.0 projects (30 V.S.A. § 8005(b)(2)(A)).

When these cost containment mechanisms were modeled, the net cost of H.289 over 10 years was [\\$150 million- \\$250 million according to JFO](#) and \$187 million according to REV—both less than *half*, on average, of the \$402 million in net costs over 10 years that Mr. Poor showed in Scenario 5.

It’s also worth highlighting two issues regarding the financial impacts of possible transmission upgrades. First, these costs are very difficult to predict and are dependent on a variety of factors, such as siting additional generation in certain locations in terms of grid impacts. Second, upgrades to the transmission

grid cannot be attributed solely to the updated RES and are impacted by many factors (e.g., increased electrification, increasingly unpredictable and intense storms, etc.).



I am happy to further discuss any of the issues raised above. I also wanted to take a moment to express my gratitude for the work of this committee—the thought and care all committee members are taking in approaching this work is evident.

Respectfully,

/s/ Adam Aguirre
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