

1 S.110

2 Introduced by Senators Williams, Brennan, Collamore, Douglass, Hart,

3 Heffernan, Ingalls, Mattos, Norris and Weeks

4 Referred to Committee on

5 Date:

6 Subject: Public service; energy; climate change; air pollution; renewable

7 energy; heating; fuel; thermal energy; greenhouse gas emissions;

8 Renewable Energy Standard

9 Statement of purpose of bill as introduced: This bill proposes to repeal the  
10 Affordable Heat Act, repeal the citizen suit provision of the Global Warming  
11 Solutions Act, and change the State's greenhouse gas reduction requirements  
12 to goals. It would also change the Renewable Energy Standard to the Clean  
13 Energy Standard.

14 An act relating to changes to Vermont's air pollution and renewable energy  
15 laws

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

17 \* \* \* Global Warming Solutions Act \* \* \*

18 Sec. 1. REPEAL

19 10 V.S.A. § 594 is repealed.

1 Sec. 2. 10 V.S.A. § 578 is amended to read:

2 § 578. GREENHOUSE GAS REDUCTION REQUIREMENTS

3 (a) Greenhouse gas reduction requirements. Vermont shall ~~reduce~~ achieve  
4 net zero emissions of greenhouse gases from within the geographical  
5 boundaries of the State ~~and those emissions outside the boundaries of the State~~  
6 ~~that are caused by the use of energy in Vermont~~, as measured and inventoried  
7 pursuant to section 582 of this title, ~~by:~~ on or before January 1, 2035.

8 ~~(1) not less than 26 percent from 2005 greenhouse gas emissions by~~  
9 ~~January 1, 2025 pursuant to the State's membership in the United States~~  
10 ~~Climate Alliance and commitment to implement policies to achieve the~~  
11 ~~objectives of the 2016 Paris Agreement;~~

12 ~~(2) not less than 40 percent from 1990 greenhouse gas emissions by~~  
13 ~~January 1, 2030 pursuant to the State's 2016 Comprehensive Energy Plan; and~~

14 ~~(3) not less than 80 percent from 1990 greenhouse gas emissions by~~  
15 ~~January 1, 2050 pursuant to the State's 2016 Comprehensive Energy Plan~~

16 Vermont shall continue to implement the policies to achieve the objectives of  
17 the 2016 Paris Agreement and remain at net zero greenhouse gas emissions  
18 across all sectors into the future.

19 \* \* \*

20 Sec. 3. 10 V.S.A. § 590 is amended to read:

21 § 590. DEFINITIONS

1 As used in this chapter:

2 (1) “Adaptation” means reducing vulnerability and advancing resilience  
3 through planned and implemented enhancements to, or avoiding degradation  
4 of, natural and built systems and structures.

5 (2) “Greenhouse gas” has the same meaning as in section 552 of this  
6 title.

7 (3) “Mitigation” means reduction of anthropogenic greenhouse gas  
8 emissions, and preservation and enhancement of natural systems to sequester  
9 and store carbon, in order to stabilize and reduce greenhouse gases in the  
10 atmosphere.

11 (4) “Net zero greenhouse gas emissions” means the total amount of  
12 greenhouse gases released into the atmosphere after accounting for the amount  
13 of greenhouse gases that are naturally absorbed or sequestered is at or less than  
14 zero across all sectors.

15 (5) “Resilience” means the capacity of individuals, communities, and  
16 natural and built systems to withstand and recover from climatic events, trends,  
17 and disruptions.

18 Sec. 4. 10 V.S.A. § 591 is amended to read:

19 § 591. VERMONT CLIMATE COUNCIL

20 (a) There is created the Vermont Climate Council (Council). The Council  
21 shall be advisory and composed of the following members:

1           (1) the Secretary of ~~Administration~~ Natural Resources or designee, who  
2 shall serve as the Chair of the Council;

3           (2) the ~~Secretary of Natural Resources or designee~~ State Climatologist  
4 or designee;

5           (3) the Secretary of Agriculture, Food and Markets or designee;

6           (4) the Secretary of Commerce and Community Development or  
7 designee;

8           (5) the Secretary of Human Services or designee;

9           (6) the Secretary of Transportation or designee;

10          (7) the Commissioner of Public Safety or designee;

11          (8) the Commissioner of Public Service or designee;

12          (9) one member to represent municipal governments, appointed by the  
13 Governor;

14          (10) one member to represent the rural communities, appointed by the  
15 Governor;

16          (11) the following members who shall be appointed by the ~~Speaker of~~  
17 ~~the House~~ General Assembly:

18               (A) ~~one member with expertise and professional experience in the~~  
19 ~~design and implementation of programs to reduce greenhouse gas emissions~~;

20               (B) ~~one member to represent rural communities~~;

21               (C) ~~one member to represent municipal governments~~;

1           ~~(D)~~ one member to represent distribution utilities;

2           ~~(E)~~(B) one member to represent a statewide environmental  
3 organization;

4           ~~(F)~~(C) one member to represent the fuel sector;

5           ~~(G)~~ one member with expertise in climate change science; and

6           ~~(H)~~(D) one member to represent Vermont manufacturers.

7           ~~(10)~~ the following members who shall be appointed by the Committee on  
8 Committees:

9           ~~(A)~~ one member with expertise in the design and implementation of  
10 programs to increase resilience to and respond to natural disasters resulting  
11 from climate change;

12           ~~(B)~~(E) one member to represent the clean energy sector;

13           ~~(C)~~(F) one member to represent the small business community;

14           ~~(D)~~(G) one member to represent the Vermont Community Action  
15 Partnership;

16           ~~(E)~~(H) one member to represent the farm and forest sector; and

17           ~~(F)~~(I) one youth member; ~~and~~

18           ~~(G)~~ one member of a Vermont-based organization with expertise in  
19 energy and data analysis.

20           (b) The Council shall make recommendations to the Secretary of Natural  
21 Resources and in formulating the recommendations the Council shall:

1           (1) Identify, analyze, and evaluate strategies and programs to reduce  
2 greenhouse gas emissions; achieve the State's reduction requirements pursuant  
3 to section 578 of this title; and build resilience to prepare the State's  
4 communities, infrastructure, and economy to adapt to the current and  
5 anticipated effects of climate change, ~~including:~~

6           ~~(A) creating an inventory of all existing programs that impact  
7 greenhouse gas emissions and their efficacy;~~

8           ~~(B) evaluating and analyzing the technical feasibility and cost-  
9 effectiveness of existing strategies and programs and identifying, evaluating,  
10 and analyzing new strategies and programs that are based upon emerging  
11 scientific and technical information;~~

12           ~~(C) analyzing each source or category of sources of greenhouse gas  
13 emissions and identifying which strategies and programs will result in the  
14 largest greenhouse gas emissions reductions in the most cost-effective manner;~~

15           ~~(D) identifying, analyzing, and evaluating public and private  
16 financing strategies to support the transition to a reduced greenhouse gas  
17 emissions economy and a more resilient State; and~~

18           ~~(E) evaluating and analyzing existing strategies and programs that  
19 build resilience, and identifying, evaluating, and analyzing new strategies and  
20 programs to prepare the State's communities, infrastructure, and economy to  
21 adapt to the current and anticipated effects of climate change.~~

1           (2) ~~On or before December 1, 2021, adopt~~ Adopt the Vermont Climate  
2           Action Plan (Plan) ~~and update the Plan on or before July 1 every four years~~  
3           ~~thereafter, the first of which was adopted on December 1, 2021.~~ On or before  
4           December 15, 2026, the Secretary of Natural Resources, in collaboration with  
5           the Department of Public Service and other relevant agencies and departments  
6           of State government, shall deliver a companion implementation strategy and  
7           aggressive-yet-achievable timeline for achieving net zero emissions across all  
8           sectors by 2035. The companion implementation strategy shall include long-  
9           term funding mechanisms that prioritizes use of existing resources. On or  
10          before July 1 every five years thereafter, the Secretary of Natural Resources  
11          shall consider the recommendations of the Council and shall update the Plan.  
12          The Council shall finalize its recommendations on or before January 1 of the  
13          year that the Plan is due. The Plan shall set forth recommend the specific  
14          affordable and practicable initiatives, programs, and strategies that the State  
15          ~~shall pursue~~ will consider implementing to ~~reduce greenhouse gas~~ meet net  
16          zero emissions reductions; achieve the State's 2035 reduction ~~requirements~~  
17          target pursuant to section 578 of this title; and build resilience to prepare the  
18          State's communities, infrastructure, and economy to adapt to the current and  
19          anticipated effects of climate change.

20           (3) ~~Identify the means to accurately measure:~~







1       ~~(e)~~ The Council shall have the administrative, and technical, ~~and legal~~  
2 assistance of the Agency of Natural Resources and the Department of Public  
3 Service and may request the assistance of any Executive Branch ~~Agency~~  
4 agency and ~~Department~~ department.

5       ~~(f)~~(e) A majority of the sitting members of the Council shall constitute a  
6 quorum, and action taken by the Council may be authorized by a majority of  
7 the members present and voting at any meeting at which a quorum is present.  
8 The Council may permit any or all members to participate in a meeting by, or  
9 conduct the meeting through the use of, any means of communication,  
10 including electronic, telecommunications, and video- or audio-conferencing  
11 technology, by which all members participating may simultaneously or  
12 sequentially communicate with each other during the meeting. A member  
13 participating in a meeting by this means is deemed to be present in person at  
14 the meeting. The Council shall meet at the call of the Chair or a majority of  
15 the members of the Council, and the Council may elect officers and adopt any  
16 other procedural rules as it shall determine necessary and appropriate to  
17 perform its work.

18       ~~(g)~~(f) Members of the Council and members of subcommittees who are not  
19 State employees shall be entitled to per diem compensation and reimbursement  
20 of expenses for each day spent in the performance of their duties, as permitted

1 under 32 V.S.A. § 1010. These payments shall be made from monies  
2 appropriated to the Agency of Natural Resources.

3 ~~(h)~~(g) The members of the Council appointed pursuant to subdivision (a)  
4 ~~(9)~~(11) of this section shall be appointed to ~~initial terms of two years~~, and  
5 ~~members appointed pursuant to subdivision (a)(10) of this section shall be~~  
6 ~~appointed to initial terms of three years. Thereafter, each appointed member~~  
7 ~~shall~~ serve a term of three years or until ~~his or her~~ a member's earlier  
8 resignation or removal. A vacancy shall be filled by the appointing authority  
9 for the remainder of the unexpired term. An appointed member shall not serve  
10 more than ~~three~~ two full consecutive three-year terms.

11 ~~(i)~~(h) On or before January 15, 2021 and every January 15 thereafter, the  
12 Council shall submit a written report to the General Assembly concerning the  
13 Council's activities and the State's progress towards meeting the 2035 net  
14 greenhouse gas reduction requirements pursuant to section 578 of this title. On  
15 or before November 1, 2021 and every second November 1 thereafter, the  
16 Director of Vermont Emergency Management shall file a report with the  
17 Council concerning Vermont's overall municipal resilience to increased  
18 hazards presented by climate change that shall include hazard mitigation plans,  
19 local emergency management plans, and survey results as deemed appropriate  
20 by the Director. Subsequent reports shall include updates to document

1 progress in local resilience. The report shall inform Council recommendations  
2 on policies to address gaps in local resilience.

3 Sec. 5. 10 V.S.A. § 592 is amended to read:

4 § 592. THE VERMONT CLIMATE ACTION PLAN

5 (a) On ~~or before~~ December 1, 2021, the Vermont Climate Council  
6 (Council) ~~shall adopt~~ adopted the Vermont Climate Action Plan (Plan) ~~and~~.  
7 The Secretary of Natural Resources shall update the Plan on or before July 1  
8 every ~~four~~ five years thereafter.

9 (b) The Plan shall ~~set forth~~ recommend the specific affordable and  
10 practicable initiatives, programs, and strategies, including regulatory and  
11 legislative changes, necessary to achieve the State's net zero greenhouse gas  
12 emissions reduction requirements across all sectors pursuant to section 578 of  
13 this title and build resilience to prepare the State's communities, infrastructure,  
14 and economy to adapt to the current and anticipated effects of climate change.  
15 The Plan shall include those specific affordable and practicable initiatives,  
16 programs, and strategies that will:

17 \* \* \*

18 (c) The analysis, development, and selection of the specific initiatives,  
19 programs, and strategies contained in the Plan and updates to the Plan shall be  
20 based upon:



1 section 593 of this chapter. ~~If the Council fails to adopt the Plan or update the~~  
2 ~~Plan as required by this chapter, the~~ The Secretary shall proceed with adopting  
3 and implementing rules ~~pursuant to subsection 593(j) of this chapter~~ that, in the  
4 Secretary's discretion, are cost effective, practicable, and designed to achieve  
5 the net zero greenhouse gas emissions reductions requirements pursuant to  
6 section 578 of this title.

7 Sec. 6. 10 V.S.A. § 593 is amended to read:

8 § 593. RULES

9 (a) The Secretary of Natural Resources shall consider and adopt rules  
10 pursuant to 3 V.S.A. chapter 25, which are, in the Secretary's discretion, cost  
11 effective, affordable, practicable, and designed to achieve the net zero  
12 greenhouse gas emissions reductions requirements pursuant to section 578 of  
13 this title and are consistent with the Vermont Climate Action Plan (Plan). In  
14 adopting rules pursuant to this section, the Secretary shall:

15 (1) ~~Ensure that~~ Consider whether the rules are consistent with the  
16 specific initiatives, programs, and strategies set forth in the Plan and updates to  
17 the Plan; ~~follow~~ consider the Vermont Climate Council's guidance provided  
18 pursuant to subdivision 591(b)(4) of this chapter; and further the objectives  
19 pursuant to subsection 592(d) of this chapter.

20 (2) Develop a detailed record containing facts; data; and legal, scientific,  
21 and technical information sufficient to establish a reasonable basis to believe

1 that the rules shall achieve the State's net zero greenhouse gas emissions  
2 reductions requirements pursuant to section 578 of this title. This detailed  
3 record shall be included with the rule and filed with the Secretary of State  
4 pursuant to 3 V.S.A. § 838.

5 \* \* \*

6 (e) On or before July 1, ~~2026~~ 2027, the Secretary shall consider and adopt  
7 and implement rules, which are, in the Secretary's discretion, cost effective,  
8 affordable, practicable, and designed to achieve the 2035 net greenhouse gas  
9 emissions reductions requirements pursuant to section 578 of this title and are  
10 consistent with the specific initiatives, programs, and strategies set forth in the  
11 Plan and updates to the Plan and achieve the ~~2030~~ 2035 net zero greenhouse  
12 gas emissions ~~reduction~~ across all sectors requirement pursuant to section 578  
13 of this title. The Secretary shall observe the requirements of subsection (c) of  
14 this section.

15 (f) ~~The Secretary shall, at his or her discretion, but not less frequently than~~  
16 ~~once every two years between 2026 and 2030, review and, if necessary, update~~  
17 ~~the rules required by subsection (e) of this section in order to ensure that the~~  
18 ~~2030 greenhouse gas emissions reduction requirement pursuant to section 578~~  
19 ~~of this title is achieved. In performing this review and update, the Secretary~~  
20 ~~shall observe the requirements of subsection (e) of this section.~~

1       ~~(g)~~ On or before July 1, 2040, the Secretary shall consider and adopt and  
2       implement rules, which are, in the Secretary's discretion, cost effective,  
3       affordable, practicable, and designed to maintain the net zero or less  
4       greenhouse gas emissions and are consistent with the specific initiatives,  
5       programs, and strategies set forth in the Plan and updates to the Plan and  
6       achieve the 2050 net zero greenhouse gas emissions reduction ~~requirement~~  
7       ~~pursuant to section 578 of this title~~ across all sectors.

8       ~~(h)~~ The Secretary shall, ~~at his or her discretion, but not less frequently than~~  
9       ~~once every two years between 2040 and 2050, review and, if necessary, update~~  
10      ~~the rules required by subsection (g) of this section in order to ensure that the~~  
11      ~~2050 greenhouse gas emissions reduction requirement pursuant to section 578~~  
12      ~~of this title is achieved. In performing this review and update, the Secretary~~  
13      ~~shall observe the requirements of subsection (c) of this section.~~

14      ~~(i)~~~~(g)~~ The Secretary may establish alternative reduction mechanisms to be  
15      used by sources of greenhouse gas emissions, if necessary, to achieve net zero  
16      emissions ~~after 2050~~ on or before 2035.

17      ~~(1)~~ ~~The use of alternative reduction mechanisms shall account for not~~  
18      ~~more than 20 percent of statewide greenhouse gas emissions estimated as a~~  
19      ~~percentage of 1990 emissions. The use of a mechanism must offset a quantity~~  
20      ~~of greenhouse gas emissions equal to or greater than the amount of greenhouse~~  
21      ~~gasses emitted.~~







1 Administration, of Agriculture, Food and Markets, of Natural Resources, and  
2 of Transportation and the Commissioner of Buildings and General Services.

3 \* \* \*

4 (3) For each sector, the report shall provide:

5 (A) In millions of British thermal units (MMBTUs) for the most  
6 recent calendar year for which data are available, the total amount of energy  
7 consumed, the amount of clean and renewable energy consumed, and the  
8 percentage of clean and renewable energy consumed. For the electricity  
9 sector, the report shall also state the amounts in megawatt hours (MWH) of  
10 retail sales and load for Vermont as well as for each retail electricity provider  
11 and the Vermont and New England summer and winter peak electric demand,  
12 including the hour and day of peak demand.

13 (B) Projections of the energy reductions and shift to clean and  
14 renewable energy expected to occur under existing policies, technologies, and  
15 markets. The most recent available data shall be used to inform these  
16 projections and shall be provided as a supplement to the data described in  
17 subdivision (A) of this subdivision (3).

18 \* \* \*

19 (7) The report shall include the following information on progress  
20 toward meeting the ~~Renewable~~ Clean Energy Standard (~~RES~~ CES):





1 emissions or other impacts to air, water, or soil that may occur through the  
2 plant's displacement of a nonclean or nonrenewable energy source.

3 \* \* \*

4 (25) "Clean energy" means both renewable energy, as defined in this  
5 section, as well as electricity produced using a technology that does not emit  
6 greenhouse gases as a by-product of energy generation.

7 \* \* \*

8 (29) ~~"RES"~~ "CES" means the ~~Renewable~~ Clean Energy Standard  
9 established under sections 8004 and 8005 of this title.

10 \* \* \*

11 (33) "Tradeable zero emissions credits" or "ZECs" means all of the  
12 environmental attributes associated with a single unit of energy generated by a  
13 clean energy source where:

14 (A) those attributes are transferred or recorded separately from that  
15 unit of energy;

16 (B) the party claiming ownership of the tradeable zero emissions  
17 credits has acquired the exclusive legal ownership of all, and not less than all,  
18 the environmental attributes associated with that unit of energy; and

19 (C) exclusive legal ownership can be verified through an auditable  
20 contract path or pursuant to the system established or authorized by the  
21 Commission or any program for tracking and verification of the ownership of

1 environmental attributes of energy legally recognized in any state and  
2 approved by the Commission.

3 Sec. 10. 30 V.S.A. § 8004 is amended to read:

4 § 8004. SALES OF ELECTRIC ENERGY; ~~RENEWABLE CLEAN~~  
5 ENERGY STANDARD (~~RES~~ CES)

6 (a) ~~Establishment~~ Expansion; requirements. The ~~RES~~ Renewable Energy  
7 Standard is ~~established~~ expanded to become the CES. Under this program, a  
8 retail electricity provider shall not sell or otherwise provide or offer to sell or  
9 provide electricity in the State of Vermont without ownership of sufficient  
10 energy produced by clean and renewable energy plants or sufficient tradeable  
11 renewable energy and zero emissions credits from plants whose energy is  
12 capable of delivery in New England that reflect the required amounts of clean  
13 and renewable energy set forth in section 8005 of this title or without support  
14 of energy transformation projects in accordance with that section. A retail  
15 electricity provider may meet the required amounts of clean and renewable  
16 energy through eligible tradeable renewable energy and zero emissions credits  
17 that it owns and retires, eligible clean and renewable energy resources with  
18 environmental attributes still attached, or a combination of those credits and  
19 resources.

1 (b) Rules. The Commission shall ~~adopt~~ update the rules that are necessary  
2 to allow the Commission and the Department to implement and supervise  
3 further the implementation and maintenance of the ~~RES~~ CES.

4 (c) ~~RECS~~ RECs and ZECs; banking. The Commission shall allow a  
5 provider that has met the required ~~amount~~ amounts of renewable energy or  
6 zero emissions credits in a given year, commencing with 2017, to retain  
7 tradeable renewable energy or zero emissions credits created or purchased in  
8 excess of that amount for application to the provider's required amount of  
9 clean or renewable energy in one of the following three years.

10 (d) Alternative compliance payment. In lieu of purchasing renewable  
11 energy or tradeable renewable energy or zero emissions credits or supporting  
12 energy transformation projects to satisfy the requirements of this section and  
13 section 8005 of this title, a retail electricity provider in this State may pay to  
14 the Vermont Clean Energy Development Fund established under section 8015  
15 of this title an alternative compliance payment at the applicable rate set forth in  
16 section 8005. The administrator of the Vermont Clean Energy Development  
17 Fund shall use the payment from a retail electricity provider electing to make  
18 an alternative compliance payment to satisfy its obligations under subdivisions  
19 8005(a)(1), 8005(a)(2), 8005(a)(4), and 8005(a)(5) of this title for the  
20 development of renewable energy plants that are intended to serve and benefit  
21 customers with low income of the retail electricity provider that has made the



1 payment. Such plants shall be located within the provider’s service territory, if  
2 feasible. In the event that such a payment is insufficient to enable the  
3 development of a renewable energy plant, the administrator may use the  
4 payment for other initiatives allowed under section 8015 of this title that will  
5 benefit customers with low income of the retail electricity provider that has  
6 made the payment. As used in this subsection (~~d~~), “customer with low  
7 income” means a person purchasing energy from a retail electricity provider  
8 and with an income that is less than or equal to 80 percent of area median  
9 income, adjusted for family size, as published annually by the U.S. Department  
10 of Housing and Urban Development.

11 \* \* \*

12 (f) Joint efforts. Retail electricity providers may engage in joint efforts to  
13 meet one or more categories within the ~~RES~~ CES.

14 Sec. 11. 30 V.S.A. § 8005 is amended to read:

15 § 8005. ~~RES~~ CES CATEGORIES

16 (a) Categories. This section specifies five categories of required resources  
17 to meet the requirements of the ~~RES~~ CES established in section 8004 of this  
18 title: total clean and renewable energy, distributed renewable generation,  
19 energy transformation, new renewable energy, and load growth renewable  
20 energy. In order to support progress toward Vermont’s climate goals and

1 requirements, a provider may, but shall not be required to, exceed the  
2 statutorily required amounts under this section.

3 (1) Total clean and renewable energy.

4 (A) Purpose; establishment. To encourage the economic and  
5 environmental benefits of renewable energy, this subdivision establishes, for  
6 the ~~RES CES~~, minimum total amounts of clean and renewable energy within  
7 the supply portfolio of each retail electricity provider. To satisfy this  
8 requirement, a provider may use clean energy generated within New England  
9 or renewable energy with environmental attributes attached or any class of  
10 tradeable renewable energy credits generated by any renewable energy plant  
11 whose energy is capable of delivery in New England.

12 (B) Required amounts.

13 (i) The amounts of total clean and renewable energy required by  
14 this subsection (a) shall be 63 percent of each retail electricity provider's  
15 annual load during the year beginning on January 1, 2025, increasing by ~~at~~  
16 ~~least~~ an additional ~~four~~ 7.4 percent each third January 1 thereafter until  
17 reaching 100 percent: on and after January 1, 2030.

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



1 development of new facilities in generation constrained areas of the  
2 distribution or transmission system that would not need to be expanded but for  
3 the addition of additional generation, unless costs associated with development  
4 in those generation constrained areas are not passed through to ratepayers  
5 through the cost to utilities to purchase the generation or in any other manner.  
6 To implement the intent of this section, the Commission may update or adopt  
7 rules, including rules that require a locational adjustor fee.

8 (ii) A retail electricity provider may petition the Commission for relief  
9 of the requirements of subdivision (C) of this subdivision (a)(2) or the  
10 associated alternative compliance payment, which may be granted if the  
11 provider can demonstrate that it is unable to meet its requirements without  
12 extensive upgrades to the transmission or distribution infrastructure that would  
13 be borne by the provider's ratepayers. If relief is granted, the retail electricity  
14 provider shall be required to instead acquire new renewable generation from  
15 facilities that qualify to meet the requirements of subdivision (4) of this  
16 subsection (a), in addition to the requirements as described in subdivision (4)  
17 of this subsection (a).

18 (3) Energy transformation.

19 (A) Purpose; establishment. This subdivision (3) establishes an  
20 energy transformation category for the ~~RES~~ CES. This category encourages  
21 Vermont retail electricity providers to support additional distributed renewable

1 generation or to support other projects to reduce fossil fuel consumed by their  
2 customers and the emission of greenhouse gases attributable to that  
3 consumption. A retail electricity provider may satisfy the energy  
4 transformation requirement through distributed renewable generation in  
5 addition to the generation used to satisfy subdivision (2) of this subsection (a)  
6 or energy transformation projects or a combination of such generation and  
7 projects.

8 \* \* \*

9 (4) New renewable energy.

10 (A) Purpose; establishment. This subdivision (4) establishes a new  
11 regional renewable energy category for the ~~RES~~ CES. This category  
12 encourages the use of new renewable generation to support the reliability of  
13 the regional ISO-NE electric system. To satisfy this requirement, a provider  
14 shall use new renewable energy with environmental attributes attached or any  
15 class of tradeable renewable energy credits generated by any renewable energy  
16 plant coming into service after January 1, 2010 whose energy is capable of  
17 delivery in New England.

18 \* \* \*

19 (6) Alternative compliance rates.

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

1 (i) total clean and renewable energy requirement — \$0.01 per  
2 kWh; and

3 (ii) ~~distributed renewable generation and~~ energy transformation  
4 requirements — \$0.06 per kWh.

5 (B) The Commission shall adjust these rates for inflation annually  
6 commencing January 1, 2018, using the CPI.

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

10 \* \* \*

11 Sec. 12. 30 V.S.A. § 8006 is amended to read:

12 § 8006. TRADEABLE CREDITS; ENVIRONMENTAL ATTRIBUTES;  
13 RECOGNITION, MONITORING, AND DISCLOSURE

14 (a) The Commission shall ~~establish or adopt a~~ amend and expand its system  
15 of tradeable renewable energy credits for renewable resources that may be  
16 earned by electric generation qualifying for the prior RES to include clean  
17 energy generation. The system shall recognize tradeable renewable energy  
18 credits monitored and traded on the New England Generation Information  
19 System (GIS); shall provide a process for the recognition, approval, and  
20 monitoring of environmental attributes attached to clean and renewable energy  
21 that are eligible to satisfy the requirements of sections 8004 and 8005 of this

1 title but are not monitored and traded on the GIS; and shall otherwise be  
2 consistent with regional practices.

3 (b) The Commission shall ensure that all electricity provider and provider-  
4 affiliate disclosures and representations made with regard to a provider's  
5 portfolio are accurate and reasonably supported by objective data. Further, the  
6 Commission shall ensure that providers disclose the types of generation used  
7 and shall clearly distinguish between energy or tradeable energy credits  
8 provided from clean, renewable, and nonrenewable energy sources and  
9 existing and new renewable energy.

10 Sec. 13. 30 V.S.A. § 8008 is amended to read:

11 § 8008. AGREEMENTS; ATTRIBUTE REVENUES; DISPOSITION BY  
12 COMMISSION

13 (a) As used in this section, "the revenues" means revenues that are from the  
14 sale, through tradeable clean or renewable energy certificates or other means,  
15 of environmental attributes associated with the generation of clean and  
16 renewable energy from a system of generation resources with a total plant  
17 capacity greater than 200 MW and that are received by a Vermont retail  
18 electricity provider on or after May 1, 2012, pursuant to an agreement,  
19 contract, memorandum of understanding, or other transaction in which a  
20 person or entity agrees to transfer such revenues or rights associated with such  
21 attributes to the provider.

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Sec. 14. 30 V.S.A. § 8005b is added to read:

§ 8005b. RENEWABLE ENERGY FOR COMMUNITIES PROGRAM

(a) Establishment. The Renewable Energy for Communities Program is established. To achieve the goals of subdivision 8005(a)(2) of this title, the Commission shall develop the Renewable Energy for Communities Program that meets the eligibility requirements of this section, which may be implemented by rule, order, or contract. Retail electricity providers shall issue periodic solicitations subject to the requirements of the Renewable Energy for Communities Program.

(b) Eligible resources. Distributed renewable generation, as defined in subdivision 8002(a)(2) of this title, shall be eligible to participate in this program.

(c) Objectives. It shall be the objective of the Renewable Energy for Communities Program to develop distributed generation at least-cost to ratepayers that is directed by, developed in consultation with, or directly benefits communities by one or more of the following:

(1) delivering benefits from renewable energy systems to customers who have historically been marginalized or faced inequitable access to the benefits of renewable energy, including environmental justice focus populations as defined by 3 V.S.A. § 6002;



1           (2) supporting community participation in the development and  
2           governance of distributed renewable generation;

3           (3) supporting the delivery of benefits to tenants of buildings that are  
4           designated as affordable housing;

5           (4) supporting the delivery of benefits to school and municipal owned  
6           buildings; and

7           (5) advancing other priority issues as identified during program  
8           development as detailed under subsection (f) of this section.

9           (d) Capacity requirement. Retail electricity providers shall issue  
10          solicitations for distributed renewable generation equivalent to a percentage of  
11          their requirement under subdivision 8005(a)(2) of this title, as determined by  
12          the Commission.

13          (e) Solicitation requirement. On a schedule to be developed by the  
14          Commission, each retail electricity provider with an obligation under  
15          subdivision 8005(a)(2) of this title shall issue solicitations for eligible  
16          distributed generation until it has met its capacity requirement. Coordinated  
17          solicitations shall be encouraged. Each retail electric provider shall review  
18          proposed projects in its service territory according to a set of consistent core  
19          criteria as approved by the Commission and consistent with the objectives set  
20          forth in this section. The requirements for the retail electricity providers that  
21          are already 100 percent renewable may be limited by the Commission to an

1 amount equal to the provider's requirement to meet distributed generation with  
2 load growth above the baseline year of 2024 and allowed on a less frequent  
3 solicitation schedule.

4 (f) Program development. On or before January 1, 2027, the Commission  
5 shall implement the Renewable Energy for Communities Program. In  
6 developing the Program, the Commission shall:

7 (1) determine principles to guide the development of eligible distributed  
8 generation and consider whether additional objectives for the Program as  
9 defined under subsection (a) of this section are necessary;

10 (2) determine whether a percentage of each retail electricity provider's  
11 capacity requirement should be reserved to serve specific customers who have  
12 previously experienced inequitable access to the benefits of renewable energy  
13 and determine any minimum requirement for those projects procured under  
14 this program for serving those specific customers;

15 (3) establish a set of consistent review criteria to be used by all retail  
16 electricity providers in solicitations for eligible distributed generation  
17 considering issues in addition to cost, such as community support or  
18 engagement while developing the proposal; potential for local workforce  
19 development and other community benefits to be delivered to the host  
20 community; location of the project, including whether it is in a constrained  
21 area of the distribution or transmission system or in an area identified as a

1 preferred location in a regional or municipal enhanced energy plan pursuant to  
2 24 V.S.A. § 4352; and anticipated generation profile;

3 (4) identify reporting requirements and necessary metrics to monitor  
4 how benefits and burdens from the Program are distributed across ratepayers;

5 (5) consult with individuals representing a diverse array of perspectives,  
6 including at minimum representation from industry, retail electric providers,  
7 environmental advocates, State agencies, regional and local governments,  
8 communities identified as environmental justice focus populations under 3  
9 V.S.A. § 6002, municipalities experiencing high energy burden as identified by  
10 Efficiency Vermont's 2023 Energy Burden Report, renters, and multifamily  
11 affordable housing representatives;

12 (6) determine a process for exempting or deferring retail electricity  
13 provider requirements under this section in the event no proposals below the  
14 applicable alternative compliance payment are received in response to a retail  
15 electricity provider's solicitation;

16 (7) determine a process for evaluating and reporting on the success of  
17 the Program in achieving the stated goals; and

18 (8) consider other issues as identified throughout the process.

19 (g) The Commission may use its authority under sections 20 and 21 of this  
20 title as may be necessary to support engagement and technical analysis  
21 necessary to develop the Renewable Energy for Communities Program.

1     Funding may be used to support per diem compensation and reimbursement of  
2     expenses as permitted under 32 V.S.A. § 1010 to conduct engagement with  
3     parties who are not otherwise compensated by their employer.

4                                     \* \* \* Effective Date \* \* \*

5     Sec. 15. EFFECTIVE DATE

6         This act shall take effect on passage.