



February 24, 2025

Senator Anne Watson, Chair
Senate Committee on Natural Resources and Energy
Vermont Statehouse
115 State Street
Montpelier, VT 05633

Re: S.57

Dear Senator Watson:

AllEarth Renewables, Inc. (“AllEarth”) offers these comments on the above bill. AllEarth is strongly supportive of the continuation and expansion of Vermont’s standard offer program, but believes S. 57 can be further strengthened with the changes set out below.

I. Statewide Renewable Procurement History

In evaluating whether to continue and expand a renewable energy program, there is much to be learned from its history. While the testimony to date has focused on the statutory background of shared statewide procurement and distribution of renewable energy, that practice has a much deeper history.

When Congress passed the Public Utility Regulatory Policy Act in 1978, it delegated much of the implementation authority to the states. In the early 1980’s, the Vermont PUC (then Vermont Public Service Board), took an approach that was unique among the states. Recognizing the administrative and practical burdens of figuring out renewable energy rates for what were then 23 utilities, the PUC crafted Rule 4.100, which treated the Vermont utilities as a “composite system” and established a statewide contract structure and statewide rates for 150MW of projects. The program brought about redevelopment of many hydroelectric plants in Vermont, and development of the Ryegate biomass facility. As the Rule 4.100 program evolved into a statutory one leading to what is today the Standard Offer program, it became a more bid based program, and one administered by a non-profit entity, VEPP Inc. (“VEPPI”), which is governed by a Board of Directors consisting of representatives from the electric utilities, renewable energy developers, and the public. VEPPI has functioned quietly and efficiently over that time, under the guidance of its Board’s collaborative approach and the capable leadership of its initial and subsequent Executive Directors.

This pragmatic and successful Vermont approach, coupled with the unprecedented demand that beneficial electrification will require and the political uncertainty as to where we will get that electricity, warrant a greater expansion for the Standard Offer than that proposed in the current version. The definition of Community Solar should also be broadened to not limit the many ways to approach the concept. AllEarth has attached a marked up version of the bill to these comments, with brief explanations below as to the basis for each comment.

II. Proposed Changes to the Current Bill

Page 2, line 1. As noted in the testimony of others on S. 57, the 2.2 MW number is a vestige of an earlier version of the program, tied to a wind turbine that would have potentially been produced by a Vermont company at that time. A 5 MW size limit aligns the Standard Offer program with the RES and with ISO-NE rules based on project size.

Page 2, lines 5, 8, 12 and 13. These edits increase the Standard Offer increment to 320 MW over eight years, rather than 100 MW over five. There is simply too much uncertainty around out of state and out of country sources, when nearby states have their own renewable energy needs and the demand increases that electrification will bring, and where Hydro-Quebec and Canadian providers face many of the same issues. The bidding processes and contracts used in the Standard Offer program do much to ensure the triple success of in-state generation, competitive initial pricing and long-term contract stability at a time when all three of those things are likely more critical than they have ever been.

Page 5, line 3. The current version of the bill does not update the requirement that the PUC develop screening guidelines that provide developers with information around where generation might relieve particular constraints by March 1, 2013. AllEarth's proposed change would require an updating of any existing mechanisms by December 31, 2025.

Page 7, lines 13-14. Our proposed language here expands the definition of community solar to include situations where, rather than having initial ownership of the project, the consumers of energy from it have a binding option to purchase the project at a set price, not more than six years from project commissioning. While the co-op type model embodied in the definition currently in the bill is certainly one alternative, we do not know what extent changes in federal law may impede non-profit or municipal solar ownership benefits, or to what extent those entities may want to own and operate solar projects at a time when it is challenging to find and retain employees in many realms. While others can likely improve upon the language we have offered here, it is important to recognize that a deferred choice around project ownership may be a highly desirable option, and not one that should be eliminated at the outset.

Thank you for your consideration of our position on this bill. Standard Offer has played an important role in Vermont's movement toward a renewable energy future. It should continue to do so.

We are happy to answer any questions the Committee may have.

Very truly yours,

A handwritten signature in blue ink that reads "David Mullett". The signature is fluid and cursive, with the first name "David" written in a larger, more prominent script than the last name "Mullett".

David Mullett
General Counsel
AllEarth Renewables, Inc.

1 S.57

2 Introduced by Senators Watson, Bongartz, Lyons and White

3 Referred to Committee on

4 Date:

5 Subject: Public service; energy; renewable energy; solar energy; Standard

6 Offer Program

7 Statement of purpose of bill as introduced: This bill proposes to reauthorize

8 the Standard Offer Program to award contracts for the construction of new

9 renewable energy generation projects.

10 An act relating to the Standard Offer Program

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

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

13 § 8005a. STANDARD OFFER PROGRAM

14 * * *

15 (b) Eligibility. To be eligible for a standard offer under this section, a plant

16 must constitute a qualifying small power production facility under 16 U.S.C.

17 § 796(17)(C) and 18 C.F.R. part 292, must not be a net metering system under

18 section ~~219a~~ 8010 of this title, and must be a new standard offer plant. In this

19 section, “new standard offer plant” means a renewable energy plant that is

5.0

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 ~~427.5~~ ^{447.5} ~~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 ~~427.5~~ ^{447.5} ~~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~~ ⁴⁰ 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~~

for the eight years commencing

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

3 (A) By ~~March 1, 2013~~, ^{December 31, 2025} the Commission shall develop ^{an updated} 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; *(a)* or *(b)* a solar plant

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.

energy purchasers a binding right to purchase the plant at a preset price not later than six years from the date that the plant was commissioned.

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